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Central Eurasia

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Daily Report

Central Eurasia

FBIS-SOV-94-183

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Primakov Unveils Report on CIS, West

LD2109094694 Moscow ITAR-TASS in English 0911
GMT 21 Sep 94

[By ITAR-TASS diplomatic correspondents Olga Semenova and Andrey Shtorkh]

[Text] Moscow September 21 TASS—Although there are obviously several different views on the future of the Commonwealth of Independent States (CIS) and the place of Russia and the Commonwealth in the contemporary world, two approaches to this problem are most clearly discernible lately in the West: The stake on cooperation with the Russian Federation on an equal footing, and the stake on a "monopolar" world, in which Russia is to play the role of a country with a very limited set of interests and tasks. This conclusion was drawn by analysts of the Russian External Intelligence Service in their open report, entitled "Russia-CIS: Does the Western Position Need Correction?", submitted here today to Russian and foreign journalists by Yevgeniy Primakov, director of the Russian External Intelligence Service, at the press centre of the Russian Foreign Ministry.

Tracing the development of various processes and tendencies on the international arena, the Russian External Intelligence Service could not overlook the fact that some influential circles in several Western countries were interpreting as "imperial ambitions" Russia's desire to promote and strengthen the centripetal processes, which began on the territory of the former USSR after the period of the ossified monolith's break-up and after the artificial rupture of long-standing economic, political, social, and military ties. Some foreign analysts claim that the dissociation of the independent states on the territory of the former Soviet Union is a "guarantee" of the irreversibility of the process of digression from the "cold war". In this connection, they are recommending the governments of their countries to base their policies vis-a-vis the CIS on the status quo, which appeared immediately after the collapse of the union.

The report of the External Intelligence Service notes that such assessments and calls are explained, on the one hand, by fears that a single "union of states will be revived as an enemy of the West" and, on the other, by the obvious unwillingness to see Russia growing stronger, especially as a world power. Although not all Western statesmen adhere to this position, nevertheless Russian external intelligence experts have deemed these tendencies to be a sufficiently "disturbing fact, giving serious food for analysis". It was found that departure from the "values of the cold war" and reorientation to civilised inter-state relations "do not make the contemporary world less complicated, do not rule out incongruities, and sometimes even clashes between the national interests of various states".

The report of the Russian External Intelligence Service, submitted to journalists and the public at large today,

gives both the domestic and external enemies of the "reintegration" of the former Soviet republics (true, the authors of the report have excluded from this process the Baltic republics, which are not members of the CIS) a chance to study some counter-arguments and some possible versions of the further development of the situation in the Commonwealth of Independent States (three possible scenarios are described).

The day before the report was made public, its authors, who do not claim to be absolutely right in everything, have expressed in an itar-tass interview their hope that the document "will reach its addressees". In their opinion, it will make them think seriously over the consequences of the unwillingness of individual political leaders to renounce once and for all the old "cold war" stereotypes, over the consequences of their stubborn desire to ignore the new world realities, and will help them realise finally that the "centripetal tendencies" in the sovereign republics on the territory of the CIS are natural and inevitable.

Report Views CIS Defense Issues

LD2109101094 Moscow ITAR-TASS in English 0944
GMT 21 Sep 94

[Text] Moscow September 21 TASS—the Russian Foreign Intelligence believes that "a number of circumstances pushes CIS countries to the creation of a unified defence space".

"Changes in the military-political situation in the world characterised by decreasing tensions on the global level, by the rejection by Russia and other CIS states of the concept of permanent adversaries, by the beginning of interaction with NATO, does not mean that potential threats to security have been eliminated completely", according to a report of the Foreign Intelligence Service headlined "Russia-CIS: Does the Western Position Need Correction?", which was made public on Wednesday.

"Interethnic and interstate conflicts in the CIS and neighbouring states tend to expand". Thus, the intelligence service possesses information that Afghanistan, which borders on the CIS, "has forces striving to separate the north of the country, populated mostly by Tajiks and Uzbeks, and create on its basis a Farsi-speaking state which would include Tajikistan".

Iran and Turkey also work to expand their influence claiming a role of "regional superpowers" which does not allow them to stay away from conflicts on the CIS territory, according to the report.

Islamic extremism - "a movement aimed at forced spreading of Islam, suppression of forces resisting it, changes in the secular character of states" - negatively tells on the situation in hot spots in the CIS and especially in Tajikistan, the document added.

Its authors note that the "export of the ideology of militant Islam acquires the character of a serious threat

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also outside the CIS and this means that contraposition to it meets the interests of the whole world community".

The Russian intelligence also noted "inadequate reaction of the West to conflicts close to Russian borders". The number of victims in hot spots of the CIS is comparable to that in former Yugoslavia, however, "there exist serious differences in peace-keeping diplomacy regarding the two crisis areas", the report says. Moreover, many foreign countries criticise the "special Russian role" in peace-keeping operations in the CIS and the thesis that Russian vital interests depend on stability in other CIS countries. The intelligence service denounces "the double standards in assessing the rights and obligations of the West and Russia" and believes it to be groundless to claim that "Russia contraposes its efforts to the actions of the United Nations and other international organisations".

Despite all post-"cold war" changes in military doctrines of leading Western powers, Russia and other CIS countries have to take into account that the countries are not going to refrain from modernising and developing their offensive armaments. "This practice results in a conclusion that at the present stage the CIS countries have to preserve and develop their own strategic offensive forces. However, in conditions when nuclear forces in the CIS, according to international agreements, can exist only in Russia, the necessity of creating a single defence space of the commonwealth is growing", the report says.

Other security requirements of today include "problems of overcoming the ecological crisis", joint efforts in the fight against organised crime, drug trafficking and the smuggling of radioactive materials and weapons, according to the document.

"Thus the realities of security confirm that economic, political and military integration in the Commonwealth ... meets the demands of the time and is a natural and objective process", the report says.

Report Envisages CIS Economic Space

LD2109093594 Moscow ITAR-TASS in English 0904 GMT 21 Sep 94

[Text] Moscow September 21 TASS—Russian intelligence experts believe that "a whole number of factors in favour of creating a unified economic space on the territory of the Commonwealth" currently exists in the CIS.

According to the report of the Foreign Intelligence Service presented on Wednesday and headlined "Russia-CIS: Does the Western Position Need Correction?", they include "traditional, decade-long high level of industrial cooperation", the existence of the "decade-long single technological space, single standards, the link between national processing capacities and certain types of raw materials", uncompetitiveness on the world market of a bigger part of industrial products made in CIS republics; "advantages of coordinated strategy of

conversion of the defence industry", "impossibility to ensure complete economic isolation in conditions of transparent borders, considerable material losses caused by illegal imports and re-exports, the absence of coordinated financial policy and difficulties in mutual settlements", small chances of an "inflow of foreign financial and industrial capital" which is deterred by a high commercial risk.

The report notes a stable tendency towards "emerging and developing economic integration processes in various parts of the world" and cites as examples the European Union, the ASEAN, the NAFTA. The prospects for most CIS countries to join the EU and Western structures in general are "vague", according to the experts who added that "the tendency of forming trade and economic blocs in the world is of unfavourable character for the CIS states so far... And can be contraposed only on a collective basis".

The document says that it is impossible to create a unified economic space in the CIS without "deep economic reforms in former Soviet republics, without docking their industrial mechanisms with the Russian one". The difficult problems of creating a single rouble zone are a proof to that. Phased solution of the issue of creating the unified economic space is dictated, according to the report, not only by uneven transition to a market economy by the CIS states, but also by the demands of the process itself.

"Contraposition to centripetal tendencies in the CIS, especially in the economic sphere, has no prospects", the report says. "The creation of the unified economic space in the Commonwealth is practically the only way to decrease tensions in interstate relations as after the collapse of the Soviet Union some 25 million Russians and representatives of the so-called Russian-speaking community remained outside Russian borders".

CIS Summit Postponed at Kuchma's Request

LD2009121294 Moscow INTERFAX in English 1039 GMT 20 Sep 94

[Text] The next CIS summit has been put off from October 6 to October 21 at the request of the Ukrainian President Leonid Kuchma. According to the Executive Secretariat of the Commonwealth in Minsk, the new date was finalized with the leaders of CIS countries. The summit is planned to be held in Moscow.

ITAR-TASS Carries Press Review for 21 Sep

LD2109064294 Moscow ITAR-TASS in English 0534 GMT 21 Sep 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow September 21 TASS—The IZVESTIYA daily carries an article entitled "Having Frozen People's Incomes the Authorities Will Freeze the Reform," in which it comments on a draft project suggested by Boris

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Yeltsin and Viktor Chernomyrdin intending to curtail consumption funds of enterprises and organisations, which, in fact, will curtail people's incomes. Commenting on the project, head of a group of experts under the Russian president, Aleksandr Livshits, said that the project would affect not only state enterprises or those where the state has a controlling interest which will be done on a legal basis, but will spread to the non-state sector of the economy as well. In fact, it means the introduction of the administrative regulation of incomes which does not conform to the tasks of the market economy and is hardly appropriate under conditions of free prices," he said.

Livshits expressed concern, saying that the suggested step would seriously affect the prestige of the Russian authorities and undermine respect for their wisdom and ability to find procedures of regulating incomes adequate to real life and not infringing on economic freedom.

"Yeltsin has Declared War Against Soviets," is a title of an article published by the PRAVDA daily devoted to the president's Decree No. 1400, which a year ago was "the first step to the collapse not only of the representative power represented by people's councils, by the judicial power represented by the Constitutional Court as well."

This law was "not a juridical basis for the armed storm of the White House with the use of tanks and artillery. According to American sources, around 1,000 people, defenders of the Constitution, were wounded during tragic events in Moscow on September 21 - October 4," the newspaper said.

"In fact, it was an act of unsubstantiated repression," the NEZAVISIMAYA GAZETA writes, the newspaper carries an analytical article entitled "A Year Ago Boris Yeltsin Restricted the Constitution and Dissolved the Russian Parliament." The KOMSOMOLSKAYA PRAVDA writes even that every one was to blame for the appearance of the notorious decree and armed confrontation it provoked.

The newspaper ROSSIYSKIYE VESTI writes that in the last year's tragedy, a mechanism of confrontation between the executive and the legislative powers was launched by the soviet rule. The entire Russia was brought to the brink of an abyss of civil war. The fact that thanks to the efforts made by the people, the Orthodox Church and all sound forces the war has been avoided is the main lesson taught by the tragedy, the newspaper said.

"Russian peace-keeping forces will take part in the final settlement of the Georgian-Abkhazian conflict," the KRASNAYA ZVEZDA daily writes. The newspaper TRUD writes that "Boris Yeltsin has made another attempt to reconcile Georgians with Abkhazians," according to NEZAVISIMAYA GAZETA, "Boris Yeltsin assured Eduard Shevardnadze that Moscow trusts Tbilisi absolutely."

An article entitled "Crying Over Unborn Children" published by the TRUD daily says that "nothing will change in our lives if alongside the growing number of restored cathedrals the number of abortion clinics will grow as well," said Deacon Andrey Kurayev.

Yeltsin's 26 Sep UN Speech Previewed*LD2009120094 Moscow ITAR-TASS in English 1116
GMT 20 Sep 94**[By ITAR-TASS correspondent Boris Sitnikov]*

[Text] United Nations September 20 TASS—U.S. President Bill Clinton and Russian President Boris Yeltsin are expected to address the 49th session of the U.N. General Assembly on September 26.

Local diplomatic circles expect Yeltsin to outline his vision of Russia as a great power and of ways to promote new international relations. This supposition is based on the fact that Yeltsin is to speak for the first time from the U.N. rostrum as supreme head of the new Russia. He is also expected to draw the world community's attention to problems linked with the need to ensure effective post-bloc collective security by increasing the peace-making potential of the United Nations through interaction with regional organisations. Local analysts link this with the fact that Russia is now attaching priority importance to the guaranteeing of the rights of the Russian-speaking population outside Russia. Yeltsin is expected to table several new Russian initiatives.

As to President Clinton, he is expected to call for further reforms in the United Nations Organisation for the sake of world democracy, and also to disclose several changes in Washington's policy vis-a-vis the United Nations, particularly in the peace-making sphere. Analysts say that this is confirmed by the fact that the U.S. Congress had allocated on the eve of the 49th session of the General Assembly a substantial sum of money to settle the U.S. debt of 1.2 billion U.S. dollars, in particular to the fund of peace-making operations. He will undoubtedly touch in this connection on the problem of Haiti, where American troops have recently landed. It is not ruled out that Clinton may officially announce America's return to the UNESCO, from which it had withdrawn during Reagan's presidency. The United States had in recent years sharply criticised the UNESCO for "incorrect management, corruption, and interference with the flow of information". However, the attitude of the United States to this organisation has changed after Federico Mayor became UNESCO director-general and after several of his reforms. At the same time, it is being noted in diplomatic circles here that America's return to the UNESCO, which is based in Paris, may cost Washington more than fifty million dollars a year. "Everybody in the U.S. Administration now likes the UNESCO, but nobody can find the money for our return there," an American journalist noted.

Security Initiatives on UN Agenda*LD2109084194 Moscow ITAR-TASS in English 0743
GMT 21 Sep 94**[By ITAR-TASS correspondent Tamara Zamyatina]*

[Text] Moscow September 21 TASS—President Boris Yeltsin is expected to table several initiatives, primarily linked with the global system of security, at the 49th session of the U.N. General Assembly. His speech is scheduled for September 26. The Russian president will outline several programmes with the participation of several states, intended to strengthen the regime of mass destruction weapons non-proliferation. ITAR-TASS was told by the Russian president's national security adviser Yuriy Baturin.

The latter believes that after the end of the confrontation between the two superpowers—Russia and the United States—whose means for mutual containment were based on nuclear weapons, the world public has begun to underestimate some other dangers, particularly of non-nuclear types of arms—chemical, bacteriological, and of new means of mass destruction; the dangers of local conflicts of the Iraqi-Kuwait type, which are fraught with the danger of growing into a full-scale war; and also of inter-ethnic and religious confrontations which are apt to provoke bloody clashes with the use of various types of mass destruction weapons.

The initiatives of the head of the Russian state envisage a broader range of action of the mass destruction weapons non-proliferation regime. Thus, Baturin believes, "it is expedient to increase the number of states involved in this process, to prevent the shifting of a confrontation from one geographical region to another, to work out dependable security guarantees to non-nuclear states."

According to Baturin, it is important that the speeches of the Russian and American presidents to the U.N. General Assembly are scheduled for the same day—September 26. Bill Clinton is also expected to table some proposals to strengthen the system of global security, after which an exchange of views on the Russian and American initiatives will take place. The assembly will single out priorities for their implementation.

Planned also is the discussion of problems linked with the settlement of regional and local conflicts near the Russian borders and in Europe. "Not only ways to extinguish the already blazing confrontations will be discussed, but also the strategy of preventing conflicts in places where they apt to break out," Baturin stated.

Kozyrev on Yeltsin Agenda for U.S. Talks*LD2109095994 Moscow ITAR-TASS World Service in
Russian 0907 GMT 21 Sep 94**[By ITAR-TASS diplomatic correspondents Dmitriy Gorokhov and Andrey Serov]*

[Text] Moscow, 21 Sep—The need to recognize Russia as a country with a transitional economy will be one of the most important issues at the talks during President Boris Yeltsin's visit to the United States. This was

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reported today by Foreign Minister Andrey Kozyrev. He was speaking at the international conference "Russia-the West: new relations."

The head of the Russian foreign policy department expressed the hope that the visit of the president would help speed up the process of removing legal barriers in Russia's trade with the West which were set up during the "Cold War." In particular at the talks in Washington, the Russian side intends to raise the issue of removing the Jackson-Vanik amendment, which prohibits the United States from giving most favored nation status to any country violating human rights.

Kozyrev Wants To See End to Trade Barriers

LD2109120394 Moscow ITAR-TASS World Service in Russian 1026 GMT 21 Sep 94

[By ITAR-TASS diplomatic correspondents Dmitriy Gorokhov and Andrey Serov]

[Text] Moscow, 21 Sep—The forthcoming Russian-U.S. summit is designed to facilitate the removal of trade barriers and the recognition of Russia as "a country with a transitional economy," Russia's Foreign Minister said addressing the "Russia-the West: New Relations" conference in Moscow today.

He said the priority topics in Russia's dialogue with the West are Russia's membership in GATT and in the World Trade Organization. We are prepared to join them on regular conditions. Nevertheless, one of the major results of the Washington summit should be the recognition of Russia as "a country with a transitional economy", he said.

According to the minister, such a measure would help Russian manufacturers to enter the world markets. "We must secure this status legally, said the leader of the Russian diplomatic service. We hope that the Russian president's visit will hasten the process of abolishing trade restrictions set up as long ago as in the era of the "cold war." This, in particular, concerns the Jackson-Vanik amendment which prohibits the United States from granting a most favored nation status to countries where human rights are being violated. The effect of this act in respect to Russia "should be not simply suspended, but repealed."

Moscow expects similar steps from Europe as well. The minister pointed to the necessity of abolishing 14 anti-dumping procedures that are still being used in respect to Russia by the European Union. Russia is sustaining greater losses as a result of these procedures than the USSR sustained in its time when there was state monopoly on foreign trade and a centralized economy. Kozyrev is convinced that the liberalization of the Russian economy gives grounds for a revision of the discriminatory procedures.

Russia, continued the head of the Russian diplomatic department, has become the locomotive of economic

reforms, a centre of attraction in the post-Soviet space. He stressed that its economic rise was in the interests of all the surrounding world, including the CIS countries.

Yeltsin Aide Expects Nuclear Pact With U.S.

MM2009143994 Moscow ROSSIYSKAYA GAZETA in Russian 20 Sep 94 First Edition p 1

[Unattributed report: "Summit Meeting Imminent"]

[Text] A treaty on the nonproliferation of missile technologies could be one of the chief agreements reached during the upcoming talks between Boris Yeltsin and Bill Clinton.

At least, this is what Russian Federation Presidential Council Member Sergey Karaganov believes. As an expert working for the Russian head of state in the sphere of foreign policy, he sets off for the United States 20 September to prepare for the top-level talks.

In the expert's words, the main political result of the Russian head of state's U.S. visit "is expected to be a deepening of military-political cooperation between the two countries."

In Sergey Karaganov's opinion, "it is cooperation in the military-political domain which today represents the sphere of common Russian-U.S. interests, even though up to now differences have been evident in the two states' policies in this domain." The expert deems it the most pressing task of the upcoming summit to elaborate a policy of "joint control over residual nuclear potentials [potentsiyaly]." "Nuclear weapons have moved away from the center of public debate, but real confrontation remains," the Presidential Council member believes. Therefore, he suggests, it is essential to move away from the outmoded concept of mutual deterrence between Russia and the United States and toward a joint strategy which would lessen residual chances of a nuclear war and further bolster strategic stability.

No less important a task, the Russian Federation Presidential Council member believes, is "a switch from passive methods of strengthening the nuclear weapons nonproliferation regime toward an active policy."

The expert also named mutual efforts to avert and regulate conflicts, particularly in the Asian region, as a major common interest of the two states.

United States Seen as Promising Trade Partner

LD2009110794 Moscow ITAR-TASS in English 1038 GMT 20 Sep 94

[By BUSINESS-TASS correspondent Irina Bolshova]

[Text] Moscow September 20 TASS—"Russia regards the United States as one of its most important and promising partners. It takes into consideration the United States leadership in world economy and role in

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the support for reform in Russia", Oleg Davydov, Russian minister for external economic relations, told BUSINESS-TASS on Tuesday.

The United States has of late taken a number of specific measures aimed at the improvement of conditions for commercial and economic cooperation with Russia, the minister said. Russia has been granted the most favoured nation's trading status after a break of 40 years. The earlier existing restrictions on the granting of credits have been lifted. The operation of the general system of tariff preferences was applied to Russia from late last year.

Considerable successes have been achieved in investment cooperation with U.S. firms, the minister said. The United States is ahead of most other Western countries for the volume of capital investment in the Russian economy and ranks first for the number of joint ventures in Russia. A whole set of investment projects in the oil and gas and other branches of the Russian economy is now being drawn up. "Russia offers a large market. There are many interesting projects", Davydov said. "Every effort will be exerted to offer the best conditions for foreign investors".

Although positive changes have taken place, the level of Russo-American trade and economic relations is still below Russian potentials, the minister said. The low volume of trade is connected with imperfect structures. Trade with the United States is not balanced, although the deficit in 1993 was not as large as in the previous years, when the Russian import was much larger than Russian export to the United States. The Russian export is dominated by fuel and raw materials. The share of farm produce is still very large in the U.S. export to Russia.

Far from all trading and political problems have yet been solved. They are linked with the legacy of the cold war and hamper the development of economic cooperation, Davydov said.

Making economic reforms, the Russian Government relies above all, on its own sources. However, financial aid and political support from Western countries, including the United States, helps make the process of integration into the world economy less painful for Russia, Davydov said.

U.S. Preoccupations Ahead of Summit Viewed

MM2109101094 Moscow IZVESTIYA in Russian 21 Sep 94 p 4

[Article by Stanislav Kondrashov: "Burden of Being the Only Superpower. Comments Ahead of Yeltsin's Meeting With Clinton"]

[Text] It is less than a week until Boris Yeltsin's visit to Washington, yet there are virtually no references in the Russian press to another approaching summit (this word

has taken root in the Russian language)—which is particularly staggering for those who remember the eve of other summit meetings in Moscow or Washington, of which the odd but quite Russian word *sudbonosnyy* [fateful] was used in a spirit of bureaucratic grandiloquence. Although there is no cause for amazement here.

The main explanation is that the meetings have ceased to be fateful. A gigantic positive change is behind the indifference toward them: They no longer decide questions of war or peace, life or death.

This main explanation goes straight to the nature of the changed world. As rivals the USSR and the United States did indeed hold (or carry) one another's future in their hands, as hostages of their own nuclear missile arsenals. Since becoming partners Russia and the United States have reduced the dramatic nature of the stakes in bilateral relations. If you like, they have taken their future into their own hands, with all the ensuing consequences that shape the general destiny of the postconfrontational world.

The multifaceted process of destatization in Russia is unexpectedly changing the nature of even the nuclear threat, kind of "privatizing" it, compelling not only diplomats and military men but also investigative leaders on both sides to seal the channels for the private, criminal escape of Russian weapons-grade plutonium. If there is still a residual threat of nuclear apocalypse, it is connected less with missiles, which are being destroyed in a coordinated manner, than with the danger of nuclear chaos, promoting uncontrolled nuclear weapons proliferation. That possibility now catches the Americans on the raw more than all the other chaos in Russia.

Instead of the anticipated "new world order" a "new world disorder" has arisen, in which Russian citizens are worried most of all by seats of conflict on the territory of the former USSR. On the other hand the United States, left as the only superpower and objectively bearing the greatest global responsibility, has discovered that it can by no means do everything. Boris Yeltsin will be bringing to Washington a host of problems of his own and well-known "related" [okrestnyy] problems, with which the Americans are not strictly speaking helping out. Bill Clinton may share his own headaches which, if they are anything to do with Russia, are so more on a symbolic level, via UN decisions—as in the case of Haiti, say.

Although a *tete-a-tete* in the Oval Office of Washington's White House still holds an almost religious aura for the Russian president and although for many "new Russians" there is no brighter leading light than U.S. big business along with the U.S. way of life, economically the Russian two-headed eagle is scrutinizing partners more closely. In terms of the volume of trade Germany holds first place and China second, while commodity turnover with the United States is falling as grain procurements there drop and it ceases to be the "agrarian arm" of a permanently unbalanced Russian economy.

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Russia is seeking a new niche in the world, refusing to acknowledge that it is only the niche of a regional power, albeit a great power with a region encompassing two continents. That kind of implacability unites the incumbent authorities and the national-patriotic opposition. The United States is also engaged in a quest, finding as it does so that it is harder to be the only superpower than to be accompanied by another, rival power. In a world deprived of global confrontation, the system of subordination has broken down, even alliance-partnership discipline has grown enfeebled, and people do not hang on the United States' word as they once did.

Take Europe and the most acute conflict in the Old World, in Yugoslavia. Recently, in connection with the withdrawal of the last U.S., British, and French soldiers from Berlin, we recalled how the Western allies took concerted action against the USSR in organizing the "air lift" during the 1948-1949 Berlin blockade. However, the U.S. debut in Yugoslavia as the only superpower did not demonstrate that kind of coordination and effectiveness. And the U.S. and Russian positions there no longer coincide as they did two years ago during the romantic "honeymoon" era.

The Americans are in favor of lifting the embargo on arms shipments to the Bosnian Muslims while Russian diplomats (along with the British and the French) are resolutely opposed to this, pressing for the relaxation of a totally different embargo—the UN economic sanctions against Serbia. Without being confident of having the support of a UN majority Clinton is threatening that, should he fail to receive that support, he will embark on unilateral U.S. arms shipments to the Muslims. That is akin to propaganda blackmail, which gives away the weakness of his positions. However, Clinton takes less account of European realities and more account of domestic pressure on the White House in the United States.

When it comes to the past the United States bears the burden of being the only superpower in a happier and more confident way than in present-day situations. By leaving around 100,000 U.S. soldiers in Germany, Washington is effectively playing its old role of guarantor against the Eastern threat. As for the present day the Clinton-Christopher foreign policy does not always seem cogent or effective in the eyes of either Americans or the rest of the world when tested in crisis situations.

The Somalia expedition, with its UN mandate, was planned as a kind of African debut for U.S. soldiers to establish the "new world order." It ended in failure and with the pointless deaths of 44 U.S. soldiers. Quite recently under pressure from Castro and his successful maneuvers Washington was forced to back down and agree to talks with Havana.

Against the backdrop of the past failures the gamble on an armed invasion of Haiti is indeed fateful (for the Clinton administration), holding either military-diplomatic revenge or a huge defeat, confirming the

reputation of a bumbling superpower. In this risky game, up until the last few days there was a growing impression that the U.S. president was driving himself into a corner, meeting growing opposition in the world and in his own country. Jimmy Carter's mission defused the situation, providing hope of the Haitian junta's peaceful surrender under powerful U.S. military pressure. If the junta leaves and deposed Haitian President Aristide returns and if—importantly for the Americans!—this occurs without U.S. blood being shed, President Clinton will undoubtedly enhance his prestige: No one judges a winner.

Historically the United States sees the states of Central America and the Caribbean as its fiefdom, where it is entitled to restore antidictatorial usages (provided that the dictators are not "their guys") by force of arms. This time the U.S. President was also armed with a UN Security Council resolution authorizing the use of "all necessary means" to oust the Haitian junta.

However, in preparing the invasion of Haiti he went against the wishes of the major Latin American countries, which traditionally bristle when the Yanquis put on a show of strength. Around 300 policemen from four minuscule Caribbean countries, designed to demonstrate the "international" nature of the invasion forces, are stuck on to the U.S. expeditionary corps by nothing more than a sham.

Clinton has also gone against the prevailing mood in the United States itself, where polls indicate that over two-thirds of the population did not want another military expedition. Robert Dole, leader of the Republicans in the Senate, called the scheme a "big mistake" since the lives of U.S. soldiers are in jeopardy. Jeane Kirkpatrick, former U.S. permanent representative to the United Nations, failed to discern any "significant U.S. national interest" in Haiti and considered the logic of the exported "right to democracy" a dangerous one since in principle it sets the U.S. world policeman the task of restoring order in no fewer than 55 "unfree" countries in the world. The influential WASHINGTON POST also warned that it is easier to go in than to stay or leave and that in Haiti the United States will be forced to play the thankless role of colonial administrator—in the late 20th century, moreover.

Were these fears left behind when General Cedras and his entourage ostensibly surrendered without a fight and agreed to leave their posts and their island? Needless to say, no one judges a winner if he wins a bloodless victory, relying not just on force but also on the law (that same Security Council resolution). A winner is usually congratulated, admittedly somewhat warily: What if he has caught that disease very specific to winners known as being giddy with success?

...Of course, would that we had U.S. concerns. Russia's "significant" rather than third-level national interest can be discerned in the Crimea, the Caucasus, and Central Asia. But you cannot help sympathizing with the Americans—the burden of being the only superpower is not an

easy one. Especially since potential advice from Yeltsin on how to dismantle that burden is hardly going to help Clinton. Although Yeltsin is not destined to use Clinton's Haitian scenario either, in Chechnya, for instance.

Yeltsin To Hold 'Informal' Talks With Major

MM2009131194 Moscow IZVESTIYA in Russian 20 Sep 94 p 3

[Report by Aleksandr Shalnev: "Yeltsin Asked in London Why Moscow Is Not Taking British Money"]

[Excerpts] London—Boris Yeltsin, who pays a whistle-stop visit to London Saturday, will have an excellent opportunity to improve his conducting, if he wants to. A youth opera troupe has been invited to perform for the important Russian guest at Chequers—the British premier's country residence, where the Russian president will spend the night before leaving for the United States. Naturally, there will be an orchestra present. Britain is understanding and enthusiastic about political leaders' musical talents. Edward Heath, a previous occupant of the residence, often conducted orchestras—including first-rate ones—while premier. Admittedly, he was no less gifted at music than he was at politics.

The concert to be given by the troupe—the program is to be determined later—will conclude a day of very intensive talks over many hours which Yeltsin and John Major will have in a very informal atmosphere. There is no clear agenda; any issues could be raised and discussed, British diplomats told me. But, naturally, they added that the British premier would want to get detailed information from Boris Yeltsin about the current situation in Russia—both political, economic, and social. Apart from anything else, Major will be interested in the question of when the next presidential election will be held in Russia—in 1996 or, as thought, two years later.

Britain itself considers the situation in Russia quite stable.

My interlocutors called Russo-British bilateral relations "excellent," adding that, if there are any problems, they are of neither the scale nor the acuteness to require discussion and resolution at a summit and can be dealt with at a much lower level.

Major is clearly planning to ask Yeltsin why Russia is being so slow to take up the money that Britain has set aside for it under the program of government export credit guarantees. According to available information, almost \$800 million which is expected to be used to buy British goods is currently tied up.

It is not being ruled out that, as was recently suggested by an influential Conservative member of parliament, there could be some question of organizing cooperation

between the British and Russian intelligence services with a view to preventing illegal trade in weapons-grade plutonium.

The second half of the visit after the opera troupe concert and the planting by Yeltsin of a tree at Chequers will be even more informal than the first half. [passage omitted]

One last point—even if Anatoliy Adamishin, the new Russian ambassador in London, is unable to present his credentials to the Queen during the visit, I was told by the British Foreign Office, citing protocol regulations, that he has been considered the absolute plenipotentiary and full representative of Russia ever since his arrival.

Fedorov Certain Cold War Will End With NATO Entry

MS2009120994 London FINANCIAL TIMES in English 20 Sep 94 p 20

[Letter from Boris Fedorov, Leader of Liberal-Democratic Union: "The Cold War Will End Only When Russia Joins Nato"]

[Text] Sir, After reading Judy Dempsey's report, "Moscow 'cannot join Nato'" (September 10/11), I could not help being worried by the remarks of Mr Volker Ruehe, Germany's minister of defence. If his opinion reflects general feelings in the west then the cold war is not finished. If he speaks like this in Moscow, most of our democrats and liberals will vote to increase military spending and the armed forces (beyond the current 2.1 million soldiers).

If Russia is "different" and cannot be integrated then Nato (the EU [European Union] is a different issue) will be enlarged and reinforced against Russia, which will then never feel secure—and naturally so. Why can we not be integrated? I have heard such bizarre arguments as "Russia is not European". Sorry, but look up the past 1,000 years of history and you will see we are more European than the US or Turkey. Yes, we are a big country with lots of problems but if we are incompatible please make clear by what criteria this is so—probably it will help us domestically. But don't let there be arrogance and short-sightedness—particularly from Berlin, which has been forced to host Russian armies three times in not so many centuries.

I am absolutely sure that global security will be strengthened only if Russia is integrated into Nato and our generals rub shoulders with, their western colleagues. Only then will the cold war come to a real end. Do not forget that we have plenty of war hawks in Moscow and Mr Ruehe seems to be intent on helping them. I think that Nato itself has to be reformed with US domination, which is no longer needed, scaled down and the widespread fears of a stronger Germany dissipated. Russia's membership will help achieve just that.

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Finally, Russian democracy is still an ailing infant and sincere integration of Russia into the European and international community can help avoid any turning back—and disaster.

Italy Pledges Sum To Eliminate Nuclear Arms

LD2109074794 Moscow *ITAR-TASS in English* 0506 GMT 21 Sep 94

[By *ITAR-TASS* correspondent Dmitriy Polunin]

[Text] Rome September 21 TASS - By *ITAR-TASS* correspondent Dmitriy Polunin:

Italy has pledged to allocate 10 billion lire until 1995 to eliminate arsenals of nuclear weapons in Russia which shall be cut in accordance with international agreements. This was declared in the Russo-Italian agreement ratified by the Italian Parliament on Tuesday.

Detailed Information on Haiti Operation Awaited

LD2009114894 Moscow *INTERFAX in English* 1135 GMT 20 Sep 94

[Text] On Monday, through its representative at the UN Security Council, Russia confirmed that it is waiting to receive detailed information about the operation in Haiti to decide whether it meets the mandate of the Security Council and international principles. This was reported to *INTERFAX* on Tuesday by the head of the international organizations' section of the Foreign Ministry Aleksandr Gorelik.

"There are actually two parallel operations under way in Haiti, he said. An international force not operating under the UN flag has landed on the island. A small UN mission is also staying there to check that the operation meets the Security Council mandate and to report its progress to the collective body."

Gorelik did not rule the possibility of Russian participation in the international operation, but only at the second stage when it is to take place under the UN flag. In his opinion months are likely to pass before the current first stage is completed.

The head of the information department of the ministry Grigoriy Karasin, told *INTERFAX* that there are no CIS citizens in Haiti. "We do not even have diplomatic relations with the country," he remarked.

Zhirinovskiy Accuses U.S. of 'Double Standards' in Haiti

LD2009192494 Moscow *INTERFAX in English* 1753 GMT 20 Sep 94

[Text] Leader of the Liberal Democratic Party Vladimir Zhirinovskiy has criticized the U.S. action in Haiti.

Zhirinovskiy said in a statement that the U.S. landing could provoke an escalation of the conflict ending in massive interference in the internal affairs of a sovereign state.

Zhirinovskiy said that his party was against any interference in Haiti's domestic affairs.

"Once again the U.S. Administration shows double standards in settling regional problems. It usurps the right of the Haitian people to resolve the conflict and at the same time tells Russia that the presence of the 14th Army in Transnistria is inadmissible," Zhirinovskiy said.

Haiti Occupation Seen as 'Armed Blackmail'

MM2009110594 Moscow *NOVAYA YEZHEDNEVNAYA GAZETA in Russian* 20 Sep 94 p 1

[Article by Yuriy Stroyev under the "Main World Event" rubric: "A Cloudless Sky Over Haiti, but the Clouds Could Be Gathering over Cuba"]

[Text] When there are no other arguments left people resort to their fists. If you take U.S. President Clinton at his word he had exhausted all peaceful means, including diplomacy, of persuading Haitian military leader Cedras to hand over power to President Aristide, who was lawfully elected in 1990 and unlawfully deposed in 1991.

That was when the fist was waved. Twenty warships carrying 20,000 well-armed U.S. marines and specially trained soldiers from the Caribbean approached Haiti, ready at a moment's notice to land and restore "American interests" and "the security of the U.S. borders and stability in the Western hemisphere"—using weapons, of course.

Initially the Haitian junta, which is certainly not anti-American in its outlook, contemplated resistance. In words, at least. Supported by 7,000 soldiers armed, incidentally, with U.S. weapons and, for the most part, trained by U.S. instructors, and counting on the support of a population which has been fleeing daily to the United States by sea, the generals threatened to repel the intervention force. There was another hope: Clinton's popularity rating had fallen and the American public were unwilling to send their boys off to war.

But the U.S. President used all the levers of power at his disposal. Furthermore, he had freed his own hands with a temporary solution to the problem of the exodus of illegal Cuban refugees to his country. An American landing in Haiti seemed inevitable.

Then a miracle happened—the Haitian military junta gave in. The invasion was possibly postponed, possibly canceled. It will depend entirely on how far General Cedras keeps his word. But was it a miracle? Like any "banana republic dictator," Cedras and his friends have managed to pluck some fruit from the branch of power to put in their own baskets and were only concerned at where they might be able to store it. They found a place. Argentina and Panama agreed to offer refuge to Haiti's military leader if he left the country before the U.S. invasion. I know a little of the psychology of Latin

American dictators, and I would venture to claim that this was the main factor in the Haitian generals' decision to relinquish power. Otherwise they would have fled leaving their own people buried under U.S. bomb debris.

A cloudless sky has now opened up over Haiti, but there is another country in the Caribbean where the United States sees problems connected with the "threat to its own interests, security, and borders." That country is, of course, Cuba, against which every U.S. President has fought and lost since 1959. The incumbent president's campaign has not been successful either. He has already conceded round one on the question of illegal refugees, which he hoped to use to topple Fidel Castro. Will there be a second round similar to the armed blackmail of Haiti? In any event, the present armada with its guns trained on Haiti's shores is very close to Cuba. The whole point is that Fidel has nowhere to run to, and anyway has no intention of running. Even if the Americans offer him paradise on earth. Meanwhile, now that Washington has rid itself of the Haitian problem, it could return to that of Cuba.

'Reanimation' of Cuban Trade Ties Eyed

MM2109121194 Moscow ROSSIYSKIYE VESTI in Russian 21 Sep 94 p 3

[Interview with Vladimir Tyurdenev, director of Central and South American Department at Russian Ministry of Foreign Affairs, by unidentified correspondent under the "Interview for RV" rubric; place and date not given: "Russia and Cuba Remain Partners"]

[Text] The diplomat answered a number of questions from ROSSIYSKIYE VESTI on the state of Russian-Cuban relations.

[ROSSIYSKIYE VESTI] It is known that some time ago our relations with Cuba cooled somewhat. How would you describe their present state?

[Tyurdenev] As the result of purposeful joint efforts with the Cubans we have succeeded in imparting a deideologized nature to bilateral ties, transferred them to the principles of generally accepted interstate contacts, and made them really mutually advantageous and balanced from the viewpoint of Russia's national interests.

Preserving the most positive elements of the traditional ties, the relationship's new formula ensures certain forward movement in spheres which remain of mutual interest.

[ROSSIYSKIYE VESTI] Do we still have an economic interest in the republic? For Cuban sugar, Cuban nickel, and other commodities used to come to Russia. What links us now in this sphere?

[Tyurdenev] As directly regards trade, in 1993 the total volume of commodity turnover came to \$618 million (for comparison, in 1991 it reached \$3.3 billion). It is now mainly monobarter: We exchange our oil for Cuban

sugar at world prices. By the beginning of August this year we had received 600,000 tonnes of unrefined sugar in exchange for 1.5 million tonnes of oil supplied by us. I must point out that steady supplies of Cuban sugar are not only of great importance to the Russian economy in the sphere of maintaining the price of this product in daily use at an affordable social level but also allow the normal working of our sugar-refining enterprises, without downtime, as well as making it possible to ensure employment for several tens of thousands of people working in these plants. For example, if supplies of imported unrefined sugar suddenly cease, Russian plants will lie idle for several months a year.

Unfortunately, things are deteriorating in respect of nickel, because, for a whole number of reasons, including the inefficiency of Russian departments, the large deposits of this valuable nonferrous metal in Moa Province, which we used to work successfully, are now being exploited with the participation mainly of Western firms, which have squeezed us appreciably in this important sector. Suffice it to say that in 1993 Russia received only 1,500 tonnes of Cuban nickel, although previously the annual deliveries exceeded the 10,000-tonne level.

It must be pointed out that the serious reduction that occurred in the volumes of trade and economic ties was natural. The point is that we have completely gotten away from the practice of subsidizing the Cuban economy and granting preferential terms in trade by switching to a market basis. But this certainly has not signified and does not signify Russia's intention to withdraw from the well-assimilated Cuban market, which several Russian producers and consumers were geared to for decades. Moreover, the trade and economic sphere in bilateral ties is our priority also with regard to the large volume of investments which we made in the construction of a whole number of installations in Cuba (over 1,000 enterprises in various sectors of that country's industry were constructed and modernized with the USSR's assistance).

[ROSSIYSKIYE VESTI] Does the Russian Federation Ministry of Foreign Affairs have any plans for strengthening contacts with Cuba, and in which spheres?

[Tyurdenev] We are not inclined to view our ties with Cuba in isolation from the context of Russia's relations with the countries of Latin America. We take account of the fact that Cuba remains a quite influential state in Latin America. We regard as natural for sovereign states the differences that exist in the approaches of Russia and Cuba to the processes of world development, including with regard to individual international problems, particularly in the humanitarian sphere and in the protection of human rights.

The Foreign Ministry is actively involved in a vigorous search for new forms of economic ties with Cuba. A role of considerable importance in this process is allocated to Russian commercial structures, which are starting to take an increasing interest in Cuba.

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I would like to point out that the necessary legal conditions for Russian businessmen's activities in Cuba have been created with the very direct participation of the Russian Federation Foreign Ministry. This was made possible as a result of the signing of two intergovernmental agreements at the end of last year: on the creation of Russian-Cuban joint organizations and on the "RosCuba" International Russian-Cuban Trade and Economic Association (the main aim of "RosCuba" is to promote the development of trade, investments of capital in various spheres, and, in short, any kind of economic or trade cooperation between the two countries). The said agreements strengthened the market basis of our trade and economic ties and laid a good foundation for the more concrete involvement of Russian enterprise in them. Thus, 19 Russian firms have already opened offices in Cuba.

In speaking of the opportunities for strengthening our ties with Cuba I must mention one more point. It is connected with the start of the implementation of a number of economic transformations by the Cuban leadership in the fall of 1993. In this connection the Russian private sector could be recommended to take a more flexible approach to determining the most promising projects, particularly as many Latin American and West European firms have recently increased their activeness appreciably.

The Russian Federation Foreign Ministry is no less energetically involved in working out questions of the development of bilateral ties in the scientific, technical, and cultural spheres. The Agreement on Cultural and Scientific Cooperation and the Program of Cultural and Scientific Exchanges between the two countries for 1993-1994 were signed in Moscow in December 1993.

The Russian side shows an interest in scientific and technical cooperation with Cuba in a whole number of areas—in the spheres of corrosion and tropicalization, research into marine organisms, sugar cane processing, and tropical meteorology. There is also interest in expanding cultural contacts, although it is very difficult to organize scientific and cultural exchanges in light of the economic difficulties being experienced by our countries.

The Russian Federation Foreign Ministry is working persistently to develop consular ties. Thus, thanks to these efforts, the intergovernmental Agreement on Conditions for Reciprocal Trips by Citizens of the two countries was signed in December 1993.

[ROSSIYSKIYE VESTI] What is the Cuban side's reaction to the present reanimation of the Russian-Cuban dialogue?

[Tyurdenev] This question should be addressed to the Cuban side. At the same time we know of its interest in deepening Russian-Cuban ties in the interests of the two countries.

Life has shown that a political dialogue—at any level, moreover—is expedient for the purposes of ensuring the two countries' interests.

[ROSSIYSKIYE VESTI] The resumption of Russian-Cuban ties cannot be overlooked by the United States. How is Washington reacting to this?

[Tyurdenev] The U.S. Administration is reacting calmly. I must say that Russian-Cuban ties have now ceased to be an irritant in our relations with the United States. Russia's bilateral relations with Cuba have been firmly transferred to the norms of interstate contacts that are generally accepted in the modern world and have been freed from the accretions characteristic of the epoch of global confrontation, which has now vanished into the past. Incidentally, the same conclusion on the state of Russian-Cuban ties was reached by the U.S. Congress, which held special hearings on this question this year.

Border Guards To Ensure Stability on Tajik-Afghan Border

LD2009161894 Moscow INTERFAX in English 1354 GMT 20 Sep 94

[Text] The Russian Federal Border Guard Service is ready to do its best to ensure stability on the Tajik-Afghan border.

The Federal Border Guard Service announced in a statement circulated in Moscow today that Russian border guards guarding the Tajik-Afghan border would not interfere in the domestic affairs of Tajikistan. He added that Russian border guards were satisfied with the cease-fire agreement signed in Teheran [Tehran] on September 17 by representatives of Dushanbe and the opposition.

The Federal Border Guard Service urged the Tajik opposition leaders and commanders of the opposition armed formations to put an end to hostilities against border guards defending the Tajik-Afghan border even before UN observers were deployed in Tajikistan.

At the same time, the Federal Border Guard Service said that any armed actions on the border or against border guards would be resisted with all means available.

Grachev, Yeltsin Pursue Georgia-Abkhazia Mediation

MM2009134794 Moscow KRSNAYA ZVEZDA in Russian 20 Sep 94 p 1

[Report by Aleksandr Pelts and Petr Karapetyan: "Russia Seems To Be Moving Georgia and Abkhazia Away from New Military Confrontation"]

[Text] As already reported by KRSNAYA ZVEZDA, in execution of Russian President Boris Yeltsin's instruction Russian Army General Pavel Grachev broke off his visit to the troops of the capital's military district on 16 September and flew to Gudauta. He was met at the

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military airfield by Abkhazian Supreme Council Chairman Vladislav Ardzinba; they were joined a little later by Georgian Head of State Eduard Shevardnadze. True, the latter did return to Tbilisi on the evening of 16 September but he had vested Lieutenant General Vardiko Nadibaidze, Georgian defense minister, with the appropriate authority to conduct talks.

The meeting of Eduard Shevardnadze and Vladislav Ardzinba on 16 September, through the Russian defense minister's mediation, lasted three hours. The whole spectrum of problems was considered, ranging from the political status of Abkhazia to the withdrawal of Georgian armed detachments from the Kodar Gorge. However, the problem of refugees did, of course, occupy the central place in the talks. Both Shevardnadze and Ardzinba expressed satisfaction with the results of the talks. Gen. Grachev considered that at the meeting the two leaders took a specific step toward a peace settlement.

Lt. Gen. Vardiko Nadibaidze met with Vladislav Ardzinba in Sukhumi on 17 September—again with Pavel Grachev acting as mediator. After hearing a report from Major General Vasilii Yakushev, commander of the Russian peacemaking forces in the Georgian-Abkhazian conflict zone, on the situation in the units and subunits and on the tasks facing them, Vladislav Ardzinba and Vardiko Nadibaidze discussed "military" questions.

A lot of attention was paid to the situation in the Kodor Gorge. There is disagreement over its assessment. The Georgians claim that their detachments have two infantry fighting vehicles, three tanks, and one artillery piece there. The Abkhazians have radically different information. However, there is the hope that the contentious issues will be resolved, particularly as, Pavel Grachev stated, Russia is ready if need be to prepare and carry out additional measures to fulfill the quadripartite agreements. At the same time Gen. Grachev stressed that if one or other party fails to meet its commitments he will raise the question of the advisability of the presence of Russian peacemaking forces in the conflict zone. The presence of Russian troops here, the minister emphasized, is not limitless. This statement, according to information at our disposal, was taken in both Tbilisi and Sukhumi as a call for a stepping up of political efforts to normalize bilateral relations.

Gen. Grachev returned to Gudauta on the evening of 17 September and with a group of officers of the 345th Parachute Regiment (which he once commanded) honored the memory of Senior Lieutenants V. Kokalich and S. Bulatov, who had died in Abkhazia.

On 18 September Gen. Grachev reported to President Yeltsin in Sochi on the execution of his instructions regarding the conduct of talks with Eduard Shevardnadze and Vladislav Ardzinba on settling the Georgian-Abkhazian conflict.

Russian President Boris Yeltsin, who is vacationing in Sochi, met in turn today with Georgian Head of State

Eduard Shevardnadze and Abkhazian Supreme Council Chairman Vladislav Ardzinba.

The talks were held behind closed doors. The problem of returning refugees to Abkhazia's Galskiy Rayon was, we have learned, one of the main topics of the conversations.

Baku Oil Agreement Not To Be Recognized

LD2009174394 Moscow INTERFAX in English 1531 GMT 20 Sep 94

[Text] Russia will not recognize the agreement signed in Baku today on the development of Caspian oil fields "with all the ensuing consequences," Russian Foreign Ministry spokesman Grigoriy Karasin said at a briefing in Moscow.

The agreement calls for development of oil fields on the Caspian shelf by Azerbaijan and a consortium of companies from the U.S., Britain, Norway, Turkey and Russia (LUKoil). An estimated \$7.5 billion will be invested in the project.

Karasin said that the Caspian Sea and its resources were vital for all Caspian states, therefore any unilateral actions by any of them would inevitably infringe on the rights and interests of the other Caspian countries. What is also important, he said, is that the Caspian ecosystem is highly vulnerable.

Karasin said that as a landlocked body of water the Caspian Sea should be used jointly by all the countries on its shores. All Caspian nations must abide by the agreements of 1921 and 1940, whether they like it or not, he added.

He agreed that it was time to take a new look at these documents, especially as new agreements had been drafted.

Karasin said that Russia would not change its stance and hoped that all the Caspian countries would take this into consideration.

Foreign Ministry Urges Tougher Sanctions on Serbs

LD2009162794 Moscow INTERFAX in English 1434 GMT 20 Sep 94

[From the "Diplomatic Panorama" feature; reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[Text] Moscow hopes that this week the UN Security Council will adopt two resolutions providing for partially lifting the sanctions against the United Republic of Yugoslavia and for toughening the sanctions towards Bosnian Serbs who reject the international peace plan for Bosnia and Herzegovina, a high-ranking official of the Russian Foreign Ministry told Interfax.

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The diplomat said that the drafts of these resolutions had been submitted for consideration by the UN Security Council last Friday. He added that the contact group on ex-Yugoslavia had reached understanding on them. However, there are countries in the UN Security Council which do not participate in the contact group and now coordination of the draft resolutions is being completed, the diplomat said.

The diplomat said that the sanctions against Belgrade could be partially lifted only after the UN secretary general officially confirmed that Belgrade strictly observed the blockade on delivery of strategic goods to Bosnian Serbs proceeding from the report of international civil experts.

The diplomat said that the leaders of the United Republic of Yugoslavia had already agreed on deploying observers on the Yugoslav-Bosnian border. The mission of observers will be created under the sign of the International Conference on ex-Yugoslavia to help Belgrade to control humanitarian cargoes going to neighboring Bosnia, he added.

The diplomat said that the mission led by a Swedish, Bu Pellnas, would include about 200 people. The diplomat said it was necessary to deploy observers on the border to make sure that it was really closed.

The diplomat added that Norwegian observers were already on the border waiting for Danish, Finnish and Swedish observers to come. He said that Russian observers were expected to go there in the next few days.

Moscow believes that the "encouraging" resolution of the UN Security Council will make Belgrade be consecutive in pursuing its new policy on the Bosnian problem, the Russian Foreign Ministry's Spokesman Grigoriy Karasin said at a briefing in Moscow today. Karasin said that this was a key factor for the quickest settlement in Bosnia and freeing Yugoslavia from the burden of the sanctions.

Karasin confirmed that two resolutions had been submitted for consideration by the UN Security Council. The first one provides for softening the sanctions against the United Republic of Yugoslavia and another one for toughening the sanctions against Bosnian Serbs.

Karasin said the contact group continued to move towards its aim encouraging supporters of the peace plan and exercising more pressure on its opponents.

Karasin stressed that the leaders of Bosnian Serbs must realize that there was no alternative to political settlement. He added that the shortest way to it was through supporting the peace plan and other proposals of the contact group. Karasin said that the stubborn line for confrontation would put Pale in a complete external isolation while accepting the peace plan could let it begin restoring peace life together with Serbs of Yugoslavia.

Karasin did not rule out that the next meeting of the Russian, U.S. and EU [European Union] foreign ministers could take place in New York at the end of September.

Karasin said that Russian Foreign Minister Andrey Kozyrev would take part in this meeting. He added that Kozyrev would remain in New York longer than President Boris Yeltsin.

Karasin said the preparations for this meeting had already begun. He added that hopes for further settlement of the Yugoslav crisis were linked with this meeting.

Yeltsin Envoy Arrives in DPRK With Proposals

LD2009174194 Moscow ITAR-TASS in English 1516
GMT 20 Sep 94

[By ITAR-TASS diplomatic correspondent Vladimir Fedoruk]

[Text] Moscow September 20 TASS—Russian Deputy Foreign Minister Aleksandr Panov has arrived in Pyongyang as a special envoy of Russian President Boris Yeltsin to unveil "a big package of constructive ideas and practical proposals".

He is scheduled to hold consultations about the Treaty of Friendship, Cooperation and Mutual Assistance which North Korea signed with the Soviet Union in 1961, according to Russian Foreign Ministry spokesman Grigoriy Karasin.

According to Karasin, the Russian president's envoy will discuss in Pyongyang prospects for the development of bilateral relations, including steps to develop direct dialogue between the two countries in new conditions.

Panov will also continue an exchange of views on the situation on the Korean peninsula and the North Korean nuclear problem.

Kim Il-song Embalming Under Way

LD2009142894 Moscow ITAR-TASS in English 1405
GMT 20 Sep 94

[Text] Moscow September 20 ITAR-TASS—Specialists from the Moscow Research Institute of Biological Structures are participating in the work to embalm and preserve the body of the late North Korean President Kim Il-song, ITAR-TASS learned from reliable competent sources who preferred not to be named.

The research institute's officials had earlier repeatedly replied, when approached by TASS, that they had "no information on the subject".

The sources told TASS that the embalming process began in Pyongyang more than a month ago, when three Russian specialists flew to North Korea at the request of the country's authorities after Kim Il-song's death on July 8.

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According to the sources, the embalming process takes from eight to twelve months. The simplest embalming procedure is priced at from 300 thousand to 500 thousand dollars.

However, the creation of a technical base for the further preservation and display of the body costs up to five million dollars.

The method proposed by Russian specialists does not turn a dead body into a mummy, but dips it in a special solution after all fluids are moved, so that the appearance and tissues are fully preserved.

The seventy-year experience of Russian specialists has proved that the embalming procedure developed by Professors Vorobyev and Zbarskiy on the basis of Russian scientific research is without parallel in the world, as evidenced by many years of preservation and display of the bodies of Vladimir Lenin, Joseph Stalin, Georgy Dimitrov (Bulgaria), Klement Gotwald (Czechoslovakia), Ho Chi Minh (Vietnam) and Agostinho Neto (Angola), as well as other leaders whose bodies were embalmed by the leading specialists of the Russian research institute.

Unofficial negotiations are now underway in Moscow between the Russian research institute's officials and a five-strong North Korean delegation led by a representative of North Korea's supreme leadership. Legal, technical and financial aspects of cooperation are being negotiated. On Tuesday, the North Korean delegation members visited the Lenin Mausoleum.

According to the sources, it has yet to be decided where Kim Il-sung's embalmed body will be put on view. It is not ruled out that the late president's body will be displayed in the room where he worked. It is less costly to refurbish Kim Il-sung's working premises than to build a special mausoleum.

The Russian specialists taking part in the embalming of the body of the North Korean leader work in shifts and while in Korea, stay in one of Kim Il-sung's out-of-town residencies. They travel home and back aboard the North Korean Berlin-Pyongyang flight which makes a stopover in Moscow.

Paper Cites Head of Korean Diaspora in CIS

MM2009132594 Moscow PRAVDA in Russian 17 Sep 94 p 3

[Interview with Pavel Kharitonovich Kan (also known as (Kan Ir)), president of the "(Kotkhonren)" Association, by Boris Orekhov; date and place not stated: "Our Interview: 'We Are Working Under the Slogan of Unity'—So Says the President of the '(Kotkhonren)' Association"]

[Excerpts] Five years ago, on 17 September 1989, the "Yedinstvo" [Unity] international Korean association—or "(Kotkhonren)" in Korean—was set up, unifying

within its ranks Koreans living on the territory of the now former Soviet Union. We made use of this date to organize a meeting with association President P.Kh. Kan [Kan Ir] in order to talk about the activity of the organization he heads, which, in point of fact, has not been covered by the mass media either in Russia or other CIS countries.

First, a few words about our interlocutor.

Pavel Kharitonovich Kan [Kan Ir] was born in the Soviet Far East in 1931 in the city of Iman, although since 1937 he has been living in Uzbekistan. Virtually all his life he has been involved with the problems of mastering the virgin and long-fallow lands of the Central Asian republics and Kazakhstan, including the barren steppe. He was a deputy of the Uzbek SSR Supreme Soviet for three convocations, he is a candidate of technical sciences, and a USSR State Prize winner, and he was decorated with many orders and medals of the Soviet Union. In 1989 he was elected president of the "Yedinstvo" international Korean association. He is also vice president of the all-national Korean league "(Bomminren)," which has its headquarters in Tokyo.

P.Kh. Kan is more familiar than most with the life of Koreans in the countries of the CIS, and not only the CIS, and with their intentions, their expectations, their aspirations. We began our conversation with him with a traditionally unavoidable question.

[Orekhov] For what purpose was the association headed by you set up, and what does it do?

[Kan] Our first—constituent—conference opened 17 September 1989, in Tashkent. In all, 125 deputies traveled to it from Uzbekistan, Kazakhstan, Tajikistan, Turkmenia, the Russian Federation, Ukraine, and Moldavia [Moldova]. The conference adopted a program and the association's charter, and its basic tasks were formulated—namely, the regeneration of national culture, the study of the Korean language and script, the establishment of cultural and economic links with foreign compatriots, and assistance in the peaceful reunification of Korea.

Nowadays, association departments operate in virtually all regions of the former USSR, which are now sovereign states. They are present in Uzbekistan, where over 190,000 Koreans live; Kazakhstan, where there are around 110,000 Koreans; the Russian Federation, also with around 110,000 Koreans; Tajikistan, Ukraine, Turkmenia, and Moldavia. In all right now we have 114,000 members. You have to agree that this is an impressive figure. After all, the entire Korean diaspora on former USSR territory numbers around 640,000 people. [passage omitted]

[Orekhov] The theme of the DPRK has been strongly present in the mass media recently in connection with the death of President Kim Il-sung. There was no lack of speculation regarding the possible development of

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events in the north of the Korean peninsula. I happen to know that you were among several foreign citizens invited to the president's funeral. What could you say about this trip to Pyongyang?

[Kan] Yes, I was in the DPRK during the mourning period, and I saw the people's grief with my own eyes. And, indeed, official condolences simply flooded into Pyongyang. Judge for yourselves—condolences from the governments of 156 countries of the world, over 1,000 commiserating telegrams from the public organizations of various states.... Can this really mean nothing? Only the president of the Republic of Korea, Kim Yong-sam, failed to express his condolences. I will not comment on this. I will merely remind you that for many years, a callous law has been operating in the Republic of Korea whereby a visit to North Korea by a South Korean is deemed to be betrayal of the motherland.

As we know, the death of President Kim Il-song gave rise to a mass of false interpretations, tittle-tattle, and inventions, the majority of which were concentrated around the personality of the current DPRK leader, Kim Chong-il. Judging by my trip to Pyongyang, the meetings and conversations I had there, I can say that Kim Chong-il enjoys indisputable authority among the people. You know, I was told in Pyongyang that for the last six or seven years it is he who has actually exercised concrete leadership of all DPRK affairs. Kim Il-song groomed him as his successor, and he did this, to all appearances, successfully. I can add that, while in the DPRK, I heard no mention of any other name as a possible leader of the state.

As for the lack of any kind of official decisions in Pyongyang regarding the appointment of Kim Chong-il to the leading posts in the state and in the party, this is easy to explain. The Koreans have an ancient tradition of observing a 100-day period of mourning for the deceased. For this period there are neither mass celebratory events, nor elections. I believe that elections for a new state leader will take place in the DPRK when this deadline expires.

[Orekhov] What is the attitude of the "(Kotkhonren)" association toward the problem of Korean reunification?

[Kan] The division of Korea is not only a tragedy for the 70 million people living on the Korean peninsula. It is one of the most pressing world issues, whose solution should not be delayed. The division is the reason for the unstable position not only on the peninsula but also in Asia as a whole. This is by no means a geographical or ethnographical problem. It is a political problem, fraught, in the event of its further exacerbation, with the threat of another war. Fortunately, favorable preconditions have recently been created for the advent of lasting peace and for the peaceful reunification of Korea. I will not reiterate the well-known events which have led to such a development of affairs. I will merely say that the statement disseminated 12 August this year in Geneva, after the third round of Korean-American talks, on an

accord between the DPRK and the United States which confirms the principles of the Korean-American statement of 11 June 1993 looks highly encouraging. This statement was widely commented upon in the world press. And it is not for nothing that agreement reached in Geneva by the DPRK and the United States to open diplomatic missions in their respective capitals, and also to relax the barriers to trade and investments, attracted particular attention. This will, indisputably, serve to revive both economic and political relations between the two countries, on which factor the success of all the preparatory work on the peaceful unification of Korea also depends.

I cannot speak for each one of the 114,000 members of our association, but I am convinced that the overwhelming majority of them ardently welcome this encouraging development of events, and it is hoped that in the near future we will hear about new steps inspiring hope in the heart of each and every Korean, wherever he may live, for the swift reunification of Korea—a dream which sustains each one of us. Not for nothing is our association called "Yedinstvo"....

Stepashin on Talks With German Secret Services

LD2009203794 Moscow ITAR-TASS in English 2012
GMT 20 Sep 94

[By ITAR-TASS correspondent Gennadiy Kulbitskiy]

[Text] Bonn September 20 TASS—"A bureau of the Russian Federal Counter-Intelligence Service will be open in Germany in 1994 to coordinate the activities of Russian and German secret services under a Russian-German memorandum signed in Moscow," director of the Russian Federal Counter-Intelligence Service Sergey Stepashin told a news conference here on Tuesday.

The news conference attended by Stepashin and German secret services' coordinator Bernd Schmidbauer summed up the results of the German visit of a Russian delegation. The visit will deepen the Russian-German cooperation against illicit trade of nuclear materials. This cooperation began during the Moscow visit of a German delegation in August, said Schmidbauer.

The German meetings were based on the Moscow memorandum. The sides were unanimous in the opinion that this document is a solid basis for deepened and confidential cooperation of competent bodies, he said.

The Russian counter-intelligence chief informed the German side of measures to be taken in Russia under the presidential decree on priority measures to upgrade the account and storage of nuclear materials, said Schmidbauer. He praised the beginning exchange of information between Russian and German secret services.

In his turn, Stepashin said that the "second round of our negotiations proved the transition from mistrust to professional interaction. Several weeks ago the German side told us names and facts of nuclear contraband on which

we have worked in Moscow. The recent negotiations agreed on joint operational arrangements".

"The German meetings focused on illicit trade of nuclear materials, left- and right-wing extremists in Russia and Germany and a possibility of their cooperation. The German side will give us materials on political extremism in Russia. We have also discussed organized crime and corruption and agreed to raise the question of a Russian-German treaty on legal assistance," said the counter-intelligence director.

Asked about the belonging of plutonium-238 revealed several weeks ago in a plane that arrived in Munich from Moscow, Stepashin said "Russia has two plants which produce war plutonium. I can assure you that neither of them registered a nuclear theft. However, the material could have been made in a laboratory at a small amount".

A communique on results of Stepashin's Bonn negotiations says that "both sides reached an agreement to prepare a joint initiative for a regular G7 meeting with Russian participation. The initiative will aim to upgrade multilateral cooperation against international crime".

The sides agreed to hold their next meeting in Moscow.

Stepashin Comments on Talks

LD2109103194 Moscow ITAR-TASS in English 1013 GMT 21 Sep 94

[By ITAR-TASS correspondent Gennadiy Kulbitskiy]

[Text] Bonn September 21 TASS—"Russian and German secret services have switched over from the period of distrust in relations between them to serious professional and prompt cooperation. This is one of the main results of our visit to Germany," said director of the Russian Federal Counter-Intelligence Service, (FCIS) Sergey Stepashin, in an interview with ITAR-TASS today.

Stepashin pointed out that in future, meetings between representatives of Russian and German secret services will be held more often, primarily at the level of experts who deal with operational issues.

Stepashin, who has completed his visit to Germany today, held several rounds of talks with the coordinator of German secret services Bern Schmidbauer and met heads of secret service departments, including the Federal Department for the Protection of the Constitution, the Federal Intelligence Service and the Federal Department for Criminal Investigation. The talks were based on a joint memorandum coordinated in Moscow in August, 1994.

The sides expressed a unanimous opinion that this document offers a solid basis for deepening confidence in cooperation between Russian and German bodies competent in this field.

The FCIS director thoroughly informed the German side about measures expected to be taken by Russia to improve the system of accounting and storage of nuclear materials, as envisaged in a decree signed by Russian President Boris Yeltsin several days ago.

The sides agreed that another round of talks between Russian and German secret services would be held in Moscow.

Joint Communique Expected

LD2009135394 Moscow ITAR-TASS in English 1330 GMT 20 Sep 94

[By ITAR-TASS correspondent Gennadiy Kulbitskiy]

[Text] Bonn September 20 TASS—A joint communique on the results of the talks, which director of the Russian Federal Counter-Intelligence Service Sergey Stepashin had in Bonn, may be signed today, ITAR-TASS was told by Aleksandr Mikhaylov, chief of the public relations centre of the Russian Federal Counter-Intelligence Service.

Speaking about the contents of Stepashin's talks with Bernd Schmidbauer, state minister in the office of the federal chancellor and coordinator of the German special services, as well as with the heads of these agencies, Mikhaylov particularly noted that "the German side was primarily interested in combatting the contraband of nuclear materials, organised crime, drug trafficking, terrorism, right-wing and left-wing extremism". "At present, we are witnessing the rapprochement of radical trends in both countries," Mikhaylov noted.

"The task today is to add concrete substance to the earlier concluded Russo-German agreement. And my opinion is that all our joint efforts should begin with exchanges of information, with operational and search measures, and only after that we should resort to propaganda measures," Mikhaylov stressed. Violation of this rule explains the recent paradoxical situation when a propaganda hullabaloo produced the impression that an active market of radioactive materials exists in the West. "But in reality it does not exist," Mikhaylov pointed out. "The image of this 'market' provoked even more thefts of radioactive materials in Russia, materials that are not needed by anybody."

A press conference is expected to be arranged by Stepashin today evening at the federal chancellor's office after the signing of a joint communique.

Russia, Ukraine, China Form Aeronautics Association

LD2109083394 Moscow Radio Moscow World Service in English 0700 GMT 21 Sep 94

[Text] Scientists of Russia, Ukraine and China have agreed to form an association of aeronautics which would give effective assistance to the national space programs.

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This has been announced by the experts of the three countries who met in (Xi'an) in China and discussed the problem of cooperation in the field of space flights.

'Aty-Baty' Views Arms Sales Abroad

OW2009133294 Moscow Russian Television and Dubl Networks in Russian 2255 GMT 20 Aug 94

[Unidentified correspondent video report; from the "Aty-Baty" program]

[Text] What can be manufactured best in a country whose entire history consists of bloody civil and foreign wars? Objectively, Soviet-Russian military equipment never did and still does not have any equal in the world, by dozens of parameters. But in the post-perestroika period, its debut on the world arms market was complicated not so much by competing Western companies as much as by the confusion within the country itself. Since 1991, in Russia only the indolent made no attempt to line their pockets at the expense of VPK [Military Industrial Complex] production. There were endless negotiations, and numerous structures, committees, and companies were created. Companies not only tried to wrest foreign partners from one another, but also top technology, the best specialists, and money. As a result, the state treasury was practically empty and the prestige of Russian agreements fell sharply.

The situation in the VPK was becoming desperate, and no one knows how events would have developed further if one structure, the Rosvooruzheniye [Russian Arms] company, had not begun to stand out among the many Russian arms dealers. [Video shows a montage of military clips, then cuts to show an unidentified woman correspondent interviewing V.I. Samoylov, chairman of the state "Rosvooruzheniye" company, in his office]

[Begin recording] [Correspondent] Viktor Ivanovich, what are the basic aims and objectives of your Rosvooruzheniye company?

[Samoylov] Your question, if I may say, is quite honest and frank and probably requires a very extensive answer, but I will try to be very brief. The purpose of creating the state Rosvooruzheniye company was to add a strict state identity to this complicated and delicate form of foreign economic activity. The main aim, first of all, was to unite the efforts of separate uncoordinated and somewhat competitive Russian organizations in the foreign market.

The second task was to create a system for investing in our national science and industry in order to preserve the potential for creating competitive models of weapons and develop the methodology and rules of the game relating to the organization of the arms trade in the foreign market, taking into consideration the struggle against the real competitor—that is, our adversaries in this market.

Finally—developing the idea of statehood—the aim is to try to provide independence for those enterprises and

companies which were formed during the development of the military industrial complex, or to provide them with a system which will teach them to become independent. I have in mind development of the market economy in terms of privatization, share sales, and changing and even reforming the financial system in this regard.

If we set aside this theoretical premise, then the company's main aim and objective is to increase the sales volume of Russian arms in the foreign market. These aims and objectives are quite ethical, since they do not contribute to world tension, and are essentially a new, qualitative breakthrough into the market. In principle, we have simply never been competitive on the domestic market, even with the sale of color television sets, for example. We do not know how to make them and have never learned to make them like the Japanese. We are not competitive in the automobile industry. I am referring to the production of ordinary automobiles, not special models for dignitaries. But we make the best, the most reliable, top quality, and cheapest weapons in the world. So it is our legitimate right to take our place in the market. [end recording]

It is not a secret to anyone that after existing for decades under the loving patronage of the party administrative system, our defense industry had no opportunity to react independently to the changing situation in the world arms market. But this did not mean that our arms were worse. Owing to the talent of designers and the heroism of workers, we were able to become world leaders in many spheres, yet at the same time we lagged in areas where it was thought impossible. The principles of development of the domestic defense industry were dictated not so much by the country's defense tasks as by the often inexplicable decisions of party leaders. We could create the most powerful rocket engines and at the same time refute cybernetics, have excellent ships with obsolete communications systems, and produce the best small arms while considering bullet-proof vests attributes of capitalism. Nevertheless, every third machine gun in operation, every eighth helicopter going into combat, and every 20th field gun being used in battle in the world was made in our plants.

Russian weapons have one indispensable characteristic in battle—reliability. You will hear this word repeatedly in our broadcast.

[Begin recording] [Samoylov] The weapons we make are far more reliable, better, and cheaper than quite a lot of other models in the world, in many categories.

[Correspondent] Is insufficient funding of the defense complex continuing at the present time?

[Samoylov] Yes, this situation persists. The weakest link in our weapons industry remains ergonomic design, the combination of man and machine and of man and the combat system. But this is not always the case. However

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reliability, precision, and low cost are very high indicators. In technology and engineering, we have surpassed a great many countries in this regard. I can tell you that with basic types of weapons we have surpassed an absolute majority of countries. However, there is another problem: The manufacturer was never interested in expanding the market. This market did not exist for him. It appeared in 1992. For the chief designer, at the Mikoyan Association it did not matter whether we sold 100 or 200 MiG aircraft. His wage was 120 to 180 rubles. He received a Certificate of Appreciation, the title of Hero, and a bust of him was erected in his homeland. His economic future was not affected by the fact that we sold more than 7,000 of these machines.

[Correspondent] Does the enterprise receive a percentage now?

[Samoylov] What do you mean by percentage? There are no percentages—the manufacturer receives the full amount. There are problems, however. We do not have an orderly, accurately developed, or logical system of distribution of this money between the designer and the manufacturer, or between associated plants manufacturing the components and the manufacturer of the machines as a whole. Moreover, there were attempts to cheat in this situation. You should understand that in economics, in normal market conditions, and in conditions of openness and democracy, it is possible to cheat someone once. The manufacturer receives approximately 90 percent of the profits, while the remaining 10 percent goes towards insurance, transportation costs, and payments to work-related service structures. Incidentally, as a rule, we receive no more than 1.5 to 3 percent of the sum of the deal in these transactions. These are for our normal expenditures, such as advertising, preparatory work, and the maintenance of the organization abroad. There is no one in the world cheaper than us. [end recording]

During the long Iron Curtain years, when our country was isolated from the international circulation of goods, including those in the arms market, the arms business keenly divided the whole world into spheres of influence between countries and military equipment manufacturing companies. Within this concentrated space, there was practically no room left for the Russian manufacturers of arms, and it will be very, very difficult to win this space back. Nevertheless, there appears to be interest in the world in Russian weapons.

The Southeast Asian nation of Malaysia was a pioneer in purchasing Russian weapons when it acquired 18 Russian MiG-29 aircraft and other combat equipment for its armed services. Our government set a price of \$24 million for each aircraft. Among the Pacific Basin nations, the constitutional monarchy of Malaysia regards its military with particular seriousness. Obviously, this country's desire to strengthen its air force has aroused excitement in the world's arms market. On this

occasion, despite desperate actions on the part of U.S. military equipment manufacturers, preference was given to Russian arms.

The Lima '93 exhibition, held in Malaysia in December last year, contributed greatly to this choice. Our pilots graphically demonstrated the unique and unmatched possibilities of the steel bird from Russia. Most of those present readily admitted that they were literally captivated by our MiG-29. Mahathir bin Mohamad, Prime Minister of Malaysia, visited the exhibition and promptly set the date for signing the agreement with Russia. Our country had no experience in participating in international military exhibitions before 1993, and the convincing Russian exposition at Lima '93 was probably the first serious victory of the renewed Russian VPK in the international arms market.

Victor (Nieman), the well-known Western military expert, was among a large number of foreign observers who visited the exhibition and we would like to acquaint you with some excerpts from his book. He wrote that Russia was never anything more than a large weapons production plant, and suspension of production today would mean that Russia would be left without a state economy.

At the same time, army orders have been reduced and the country has stockpiled thousands of units of combat arms. Now wars start where there are plenty of weapons. That is why Russia faces a frightening choice today, to either seriously start selling these weapons to other countries, or to constantly deal with its own civil wars, which are constantly being fueled by its military warehouses. With the exhibition in Malaysia, our country seems to have finally made its choice.

[Begin recording] [Samoylov] More than 30 official representatives from the Russian side were presented to the Malaysians, each saying that only he could deliver the best machine in the world. This was an example of our foolishness and disorganization, which simply shocked our partners. When state-level decisions are being made, the Intelligence Service, analysts, and financiers assess the potential of Russia's entire defense complex, and not just the plant in Glukhovitshe—which incidentally is part of the Dementev Association—or some other enterprise. That is why we should mention that to the credit of our Malaysian partners, they thoroughly analyzed the prevailing situation in Russia and maintained quite a tolerant attitude towards the confusion, which we demonstrated in this respect.

This was the first part of the deal, but there must be a second part, too. Malaysia is quite a highly-developed state in the Asia-Pacific region, and due to its economic development, it is capable of having a modern air force. Its air force is not only based on MiG aircraft. They have also purchased a group of F-16's, and are not abandoning the idea of acquiring the Rafale aircraft to be produced by France. They are also paying great attention to the

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modernization and development of our aviation equipment. Simply, the MiG aircraft is currently the best fighter of its class in the world. Not one of the best, but the best fighter. The Malaysians arrived at this assessment by flying it and trying out its armaments. [end recording]

It is well-known that 90 percent of the more highly qualified workers of the country and the best part of the homeland's engineering corps are concentrated in VPK enterprises. Because of their age, convictions, and habits, these people are hanging on to the half-closed enterprises of the VPK, where currently they have not received wages for months. Because of those same convictions, habits, and hopes, they are not leaving for the West, where they could earn tens of thousands of dollars thanks to their high skills. The orders organized by Rosvooruzheniye now give them the rare opportunity not only to earn at least some money here in their homeland, but also to demonstrate their mastery.

[Begin recording] [Kuzmin] The MiG aircraft is not new; we have been manufacturing it for quite a long period of time. Today we simply have a variety of MiG aircraft, and we can endow these MiG's with various new characteristics and perhaps new capabilities, or adapt them to certain Western systems in compliance with customer specifications. Generally, the old MiG has acquitted itself well and still maintains its parity with the best models abroad. So, in principle, this is not a new MiG.

[Correspondent] Is a modified aircraft not a new aircraft to some degree?

[Kuzmin] To some degree, yes. Nevertheless, the base remains the same. It is simply that today we are working directly with our customer, a customer with whom we have not had previous work experience. We feel that today he does not want the standard airplane we have been manufacturing for many years. We have now found an opportunity to be creative to the maximum extent possible in response to the new demands of the buyer. Naturally, this sort of work is possible when at first our designers, then the manufacturer, and then the professionals from Rosvooruzheniye can be actively involved in the negotiations process on an equal footing. These possibilities appear when a team of this sort leads the negotiations and solves all the issues raised by the customer.

[Correspondent] Speaking about the Malaysian project, essentially what aircraft modifications are we offering the Malaysians?

[Kuzmin] Malaysia is acquiring our Russian equipment for the first time. Until now, it had been using Western equipment, so the main feature of the Malaysian contract is that our equipment must be adapted to their existing infrastructure, because if one has to rebuild the ground [installations] as well, then it becomes a very expensive proposition. So, basically, the feature of the

Malaysian contract is that the Malaysian version of the aircraft will differ in this way from those purchased by our traditional buyers.

[Correspondent] Have the Russian Armed Forces ordered this model this year?

[Kuzmin] The Russian Armed Forces do not need this model because it was specially created purely for Malaysian conditions. The Russian Armed Forces have such an aircraft and I probably would not be wrong if I said that they would like to have some more. However, today we all have financial difficulties and that is why there were no orders from the air force this year. [end recording]

The subject of arms sales by the Russian VPK has one rarely mentioned but most important aspect which it is impossible to ignore from the moral standpoint: The sale of arms is a frightening and bloody business. However, no matter how much it revolts many people we live in the reality of today's harsh world. And while we dream of the day when we will be strong in the manufacture of peacetime and not military goods, we can simply pause and ponder about who we are selling our weapons to. The commercial price of weapons should not put it in the hands of shameless fanatics who are ready to put their purchases to immediate use. The sale of Russian weapons needs to be placed under state control. Our country has experienced many frightening things in recent years. However nothing was worse, or more dangerous, than the sale of arms to CIS hot spots by unscrupulous dealers. Perhaps the most serious attempt by the state to put an end to this was the formation of the Rosvooruzheniye company.

[Begin recording] [Correspondent] Viktor Ivanovich, the MiG is a high-class machine highly regarded all over the world. Defense complex enterprises are currently engaged in fulfilling the Malaysian contract. Has the Ministry of Defense ordered any of these MiG's for our armed forces, or are we now working only for export?

[Samoylov] No. You know, this is again just another bit of acute self-criticism. That is good. When one criticizes oneself well, there is less chance of making a mistake. Our Defense Ministry is also ordering these MiG's.

[Correspondent] Has an order been placed this year?

[Samoylov] Yes, this year has been included. The main thing is that our export order not only allows us to maintain production, but also allows the Ministry of Defense to place orders for experimental design production—that is, for next-generation aircraft developed by the same designers. This is undoubtedly being done. I simply will not talk about the combat qualities of these new aircraft, although I think they will be clearly demonstrated at the next Farnborough exhibition in September this year and at the high standard traditional exhibition at Le Bourget in Paris in 1995. This will probably cause our potential competitors to grit their

teeth, particularly since there has been no noticeable decline in the pace of qualitative growth in our scientific and technical progress.

Of course, we love to talk about our difficulties, choking back a tear with a sob—and yes, it is true that we do have these difficulties. However, to think that at present we are only arming Malaysia, India, and China, and that we are sitting with a mess tin over the cracked barrel of a World War II-era grenade launcher or mortar, is far from fact. Believe me, our pilots are armed with aircraft of sufficiently high quality and in required numbers. Especially since we never sell anything which has not been adopted in our own arsenal or which has not passed the

proper approval and which we do not have in a normal Russian version. [end recording]

When you find out that despite fierce competition, preference was nonetheless given to our products, and when you see how experienced foreign specialists watch not only the flights of their own helicopters but our MiG's as well with bated breath, when you understand that you are in some way associated with the might and beauty of Russian military equipment, why fool yourself—you feel pride in the might of your country, the same pride which is in such short supply back in Russia. Our aircraft are in the air. Let us admire their wonderful flights together.

Political Issues

Opposition Plans Protest Marches, Rally

LD2109093094 Moscow Mayak Radio Network in Russian 0900 GMT 21 Sep 94

[Text] Today is one year since Russian President Boris Yeltsin decreed to stop the Supreme Soviet's inefficient work and proposed a peaceful plan for electing a new Soviet. The opposition is preparing to mark the anniversary by many days of pickets and marches. Workers' Russia, the Officers' Union, and pro-communist organizations are planning a march from Belorusskiy railway station to Teatralnaya Square today. A rally will be held in Teatralnaya Square at 1800, and at 2015, an appeal by opposition forces to the peoples of Russia will be read at the rally.

Trade Unions Prepare for Oct 'Action'

MM2009150594 Moscow RABOCHAYA TRIBUNA in Russian 20 Sep 94 p 1

[Unattributed report: "FITUR: Staff Established"]

[Text] Yesterday's session of the FITUR [Federation of Independent Trade Unions of Russia] Coordinating Committee for Solidarity Actions examined questions involved in organizing and preparing for the all-Russia trade union action scheduled for 27 October. As is known, it will take place under these slogans: Repay debts owed to people in wages and social payments; save jobs and prevent mass unemployment.

An operational staff to organize and hold the all-Russia trade union action was set up at the committee session.

Agrarians Do Not See Rutskoy as Opposition Leader

LD2009122794 Moscow INTERFAX in English 1039 GMT 20 Sep 94

[Text] "The Russian Agrarian Party cannot share ex-vice president Aleksandr Rutskoy's claims on opposition leadership, and is likely to reject his nomination as a single opposition candidate to the presidential post during the forthcoming national congress of patriotic forces," Agrarian Party Vice Chairman Aleksandr Mikhailov told INTERFAX on Tuesday. He said he came to understand during the congress of Russian patriotic forces in Kaliningrad that Rutskoy's candidacy was unacceptable.

Rutskoy, the leader of the Derzhava (Great Power) patriotic movement, was utterly defeated by the deep and well thought-out arguments of Communist Party leader Gennadiy Zyuganov, said Mikhailov.

He believes that Zyuganov's position has slightly changed. Whereas previously he argued that Russia was not ripe for a presidency, now he only proposes limiting the powers of the head of state, said Mikhailov.

Meanwhile, the position of Agrarian Party leader Mikhail Lapshin on the results of the congress and on Rutskoy's candidacy remains unclear. He is currently lying in a hospital in Moscow's Stupino District after having suffered a heart attack.

'Patriots' Seek Ouster of Government, President

MM2009151794 Moscow SOVETSKAYA ROSSIYA in Russian 20 Sep 94 p 1

[Text of "Statement from the Leaders of Political Parties and Movements Taking Part in the Congress of Patriotic Forces of Russia 'Russia's Borders: From Kaliningrad to the Kurils'"]

[Text] A meeting of leaders of political parties and movements taking part in the Congress of Patriotic Forces of Russia "Russia's Borders: From Kaliningrad to the Kurils" was held in Kaliningrad on 16 September.

The participants in the meeting agreed on the following points:

1. The course of the president and the present government is bankrupt. The government's resignation is deemed expedient. All measures are to be taken to see that early presidential elections are held.
2. To work for elections of heads of administrations, nominating professional patriots.
3. To regard 4 October as the Memorial Day for our Russian patriots.
4. To adopt measures to prevent all provocations, clashes, and mass disorders on 4 October.
5. To hold in October 1994 a national Congress which would approve the composition of the State Council of Patriotic Forces of Russia and a shadow government.

Accords on other questions were reached at the meeting.

[Signed] V. Aksyuchits, chairman of the Russian Christian Patriotic Movement;
M. Astafyev, chairman of the All-Russia National-Legal Center;
S. Baburin, chairman of the Russian Pan-National Union;
G. Zyuganov, chairman of the Communist Party of the Russian Federation Central Executive Committee
A. Rutskoy, chairman of the Russian Social Democratic People's Party and leader of the "Derzhava" patriotic movement;
N. Pavlov, political secretary of the National Republican Party;
O. Romyantsev, chairman of the Russian Foundation for Constitutional Reforms;
A. Mikhaylov, deputy chairman of the Agrarian Party;
A. Prokhanov, chief editor of the newspaper ZAVTRA;
A. Ionov, chairman of the Movement of Russian Owners.

Commodity Producers Federation Opens Congress*MK2009115094 Moscow NEZAVISIMAYA GAZETA in Russian 20 Sep 94 p 3*

[Report by Ivan Vasilyev under the "Meetings" rubric: "Commodity Producers Federation Opens Congress in Order To Join Forces"]

[Text] Today, 20 September, the third congress of representatives of the Russian Commodity Producers Federation (CPF) is opening in Cheboksary. The Federation of Public Associations of Russian Commodity Producers, founded in November 1992 and headed by Yuriy Skokov, advocates the interests of workers engaged in material production. The congress will be attended by representatives of the Russian Union of Industrialists and Entrepreneurs, the League of Support for Defense Enterprises, the Russian Agrarian Union, the Russian Union of Workers Collectives, the Russian Chamber of Commerce and Industry, more than 60 regional unions of commodity producers, regional chiefs, State Duma deputies, and trade union leaders.

The main report will be delivered by CPF Chairman Yuriy Skokov, and State Duma committee chairmen Sergey Glazyev and Sergey Burkov will make co-reports.

The congress is designed to help commodity producers join forces and to channel their efforts toward overcoming negative economic trends and creating conditions that will boost production and investment. Together with the trade unions, the CPF stands for improving social partnership systems, reforming social-labor relations, and creating on their basis efficient social safety nets for the population.

A specific program of action for commodity producers in the current critical socioeconomic situation will be submitted to the delegates. The program also reflects the results of the federation's efforts to implement decisions of its second congress and to put into practice the "Declaration of Rights of Russian Commodity Producers" based on the Agreement on Joint Activity and Cooperation with their social partners and the State Duma's deputy group, "New Regional Policy."

Filatov Marks Anniversary of 1993 Events*LD2009144794 Moscow ITAR-TASS in English 1421 GMT 20 Sep 94*

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow September 20 TASS—The chief result of the Russian president's decree No. 1400 of September 21, 1993 by which Boris Yeltsin terminated the powers of the Congress of People's Deputies and of Russia's Supreme Soviet has been "the opportunity for the country's advance along the road of reform: The political situation has cleared and we can look to the future without fearing confrontation". Chief of the Presidential Administration Sergey Filatov said this in an interview to ITAR-TASS.

The presentation of the book "Autumn 1993" has been timed for the anniversary of the decree "On the stage-by-stage constitutional reform in the Russian Federation". The book brought out on the initiative of the presidential administration contains documents, reports of news agencies about the developments that led to the dramatic events of October 3-4, 1993.

"Politicians have of late begun to learn to settle problems through agreement in the framework of the Civic Accord Treaty", Filatov said.

At the same time, he denied rumours of compromise between the Russian leadership and the irreconcilable opposition which "provoked the tragedy of October 1993 and now refuses to accept peace and tranquility in the country and harbours plans of reversing the course of history".

Regarding the opposition's plans to hold an all-Russia party meeting under the slogan of "Restoring Power to the People", Filatov expressed perplexity about this wording, saying: "Never once in the 70 years have people been close to having power".

Filatov spoke critically of the present-day fraternising between Aleksandr Rutskoy, who rode the crest of the wave of anticommunism, and leader of the Communist Party of Russia Gennadiy Zyuganov. He said he wouldn't be surprised if Rutskoy made an about-face again.

Chernomyrdin Critical of Energy Minister*MK2009112594 Moscow KOMMERSANT-DAILY in Russian 20 Sep 94 p 3*

[Report by Vladislav Borodulin: "The Premier Has Brought Three Edicts to Moscow"]

[Text] Viktor Chernomyrdin's visit to Sochi to the vacationing president over the weekend is just as traditional as it is symbolic. Government communication media at first glance absolutely rule out the need for expensive visits for personal contacts by the most influential state officials. It is the factor of informal communication, however, that usually becomes decisive in the authorities' making a particular decision. First results of this visit manifested themselves on the following day: Yesterday the president signed three edicts from a new economic package. It should be noted that both the premier and the president himself are interested in such visits: Regular visits by the head of government to Valday or Sochi are the best way to demonstrate the president's concern about the country's economic condition even during the few spare minutes of recreation.

KOMMERSANT-DAILY has reported repeatedly on the preparation of three presidential edicts: "On Stamp Duties," "On Financial Leasing in the Russian Federation," and "On Private Investments in the Russian Federation;" tomorrow, when the final wording of these documents is known, it will return to this subject. Yet

even now it can be said that the content of one edict has not undergone substantial changes: As of now the stamp duty rate in property suits has been halved (from 10 percent to 5 percent of the sum of suit). According to the authors, this should facilitate legal action by enterprises against debtors. The introduction of last-minute adjustments into these documents, however, was only a small part of Viktor Chernomyrdin's presence in Sochi.

The key factor (judging at least by the fact that the premier spent two days on the Black Sea instead of one as originally planned) was the cadre question. The days preceding the head of the Cabinet's trip to Sochi led many experts to conclude about an early and inevitable resignation of Chernomyrdin and his government. Yet the president's confidential contacts with the premier over the past weekend makes nonsense of such speculation. The conversation in Sochi was not about the government as a whole but its particular members—primarily Fuel and Energy Minister Yuriy Shafranik. What prompted the premier to bring his subordinate to Boris Yeltsin's attention was a session of the government nonpayments commission which looked into the reasons of the payments crisis in the fuel and energy complex. At the session the minister was accused of political unreliability, and immediately after the session Viktor Chernomyrdin sent a memo to Sochi.

The reaction by government apparatus staffers was twofold. The opinion of one group can be reduced to a phrase dropped by a high-placed official: "People like Shafranik are not changed every three months." The confidence of others about the minister's inevitable dismissal was based on the inviolability of apparatus laws: "Such letters are not left without action." When the issue went to print it was not known which decision Boris Yeltsin has made. However, he had plenty of arguments both "in favor" and "against" Shafranik.

On the positive side for the minister is the fact that his department has coherent programs for the development of literally all branches of the fuel and energy complex. Whether they are good or bad from the economic point of view is a subject of debate for experts. But Shafranik's attempt to peer into the day after tomorrow amid the chaotic action by other sectoral ministries should appear more than gratifying to the president. On the other side of the scale is the costliness of the programs proposed by the minister. Financial priority for the national fuel and energy complex, which Yuriy Shafranik is seeking, puts into question the ability of the economy's most export-generating sector to execute other functions: Subsidizing the processing industry, and, what is especially important for the president, financing the prodigious social sphere.

'Clarity' Over Yeltsin Election Plans Urged

MM2009120994 Moscow SELSKAYA ZHIZN in Russian 20 Sep 94 p 1

[Article by Aleksandr Bykovskiy: "Rewarded According To His Deeds!"]

[Text] Tomorrow is the anniversary of B. Yeltsin's notorious appeal to Russia's citizens. A year ago there began the confrontation between the president and the Congress of People's Deputies, which ended on the morning of 4 October with the shooting of parliament before the eyes of the whole world. A year ago trouble knocked on the door of many Russian homes....

We recall them, those who died before their time, we remember them, even if they stood on opposite sides of the utterly pointless, absolutely unnecessary barricades and we honor their bright memory.

Much has changed in our life over the past year. The Constitution has been adopted, new organs of representative power have been formed, new politicians have emerged. But, alas, in the main thing—the socioeconomic position of the country and most of its citizens—the authorities have nothing to boast about. And in my opinion today it is becoming increasingly obvious that parliament should not have been dispelled a year ago but that what is now called the vector of reforms should have been altered and they should have sat down at the conference table with the opposition. Then perhaps there would be far more consensus in present-day Russia.

You are amazed when you acquaint yourself with the economic development indicators of the countries whose leadership is really concerned for the interests of its fellow citizens. We have already heard enough about the successes of China, for instance. But look at Vietnam, which for some reason is not mentioned much in our country: The average annual industrial production growth rates have reached 13 (!) percent in that country, which remains loyal to the ideas of communism.

The Russian leadership which, one recalls, once solemnly reported to the U.S. Congress that an end had been put to communism in Russia, can only dream of such high indicators. So it is not a question of communism but of whose interests are considered in pondering economic reforms and the means by which they are implemented.

So it was by no means the machinations of A. Rutskoy and R. Khasbulatov but the plight of millions of Russians which served as the reason for the very acute crisis which erupted in the fall of last year in the top echelons of power.

Did the president's side have other opportunities apart from disbanding parliament for resolving its conflict with one of the branches of state power? It did, and they were quite substantial. Above all the actual situation last fall attested unambiguously that only simultaneous elections of the president and the congress of people's deputies could spare Russian society bloody fratricidal disputes.

But no: The blockade circle was drawn ever more fiercely around the White House where the Russian parliamentarians were sitting, deprived of light, water, food, and

medical supplies. You felt that matters were heading for trouble—it soon erupted. Innocent people denied defending the Constitution on which the Kremlin's present incumbent took his presidential oath.

You cannot bring back the dead! But will the living and above all the politicians draw the appropriate conclusions from what happened? That is what now worries us most of all. Especially as we can foresee no substantial improvement in the economic position of Russia and many millions of its citizens. On the contrary, the next few months, as is admitted even at government level, promise to be even harder. And there are no guarantees that disputes with a bloody outcome like last year's will not flare up again on the Russian political Olympus.

Conflicts can be prevented by the present treaty on social consensus? Hardly. What consensus can there be when the treaty has not been signed by a substantial part of the political spectrum of Russian society. And is it possible under conditions when the country is living through a very tough economic crisis, when, according to official assessments, 30 million Russians are living below the poverty line.

I think that only a clear and unambiguous position on the part of the president, government, and Federal Assembly with regard to the prospects and date of the forthcoming elections of the president and representative organs of power can spare us Russians from a repetition of last year's Moscow tragedy. But there is no clarity although it would seem there has been plenty of talk on this subject in political circles. But we know that some politicians issue promises with unusual readiness but far from always fulfill them.

And here there has been talk throughout Moscow in recent months to the effect that a tsar may soon appear in Russia. Last week, incidentally, the press even published an item on this score. Knowledgeable people claim that the most likely contender for the Russian throne is the under-age Prince Georgiy Prusskiy Gogentsollern. B. Yeltsin and the prince's mother, Mariya Gogentsollern, are named as the regents for the Grand Prince. It is true that members of the Romanov family are protesting the Gogentsollerns' claims to the Russian throne. But it is not yet known how matters will proceed. At any rate Prince Georgiy Gogentsollern intends to join (and according to some reports already has joined) the Nakhimov Naval School in St. Petersburg.

The following rumors circulating in the Russian press can hardly leave anyone indifferent either. It is claimed that military units directly subordinate to the Russian president are deployed in the immediate vicinity of Moscow. This is a kind of presidential guard, well trained and highly paid. In crisis situations its duty is to fulfill unconditionally any order from the president and to spare him a repetition of last year's situation when B. Yeltsin's fate essentially depended on the decision of the Russian Defense Ministry collegium.

People may object: These are all the usual journalists' stories. But why then are those whose official duty is to confirm or deny press reports keeping silent? I remember last year the president's press secretary responded instantly to less important reports. But today there is a strange silence. You cannot help beginning to wonder whether the presidential structures really are preparing another surprise for Russians.

So I want to hope that in his television address to the Russian people (it has become known that it will be 22 September) devoted to the anniversary of the September-October events last year the Russian Federation president, as guarantor of the Constitution, will bring clarity to questions connected with the forthcoming elections and will dispel the doubts which have appeared as to the readiness of the Russian leadership to trust the people to decide for themselves the fate of the reforms.

Ultimately only the people, at free democratic elections, have the right to assess at its worth the viability of a particular socioeconomic course and to render their due to those who implement it. And Russians would have managed to avoid many misfortunes if they had not been deprived of that right a year ago!

Khasbulatov in Moscow To Seek Help for Chechens

LD2009175394 Moscow ITAR-TASS in English 1633 GMT 20 Sep 94

[By ITAR-TASS correspondent Lyudmila Yermakova]

[Text] Moscow September 20 TASS—"I have come to Moscow for two or three days to give the Russian leadership correct information about the Chechen developments," ex-Russian parliament speaker Ruslan Khasbulatov told a news conference at his Moscow apartment today.

Khasbulatov noted that incorrect information entails incorrect decisions and stressed he is ready to meet any representative of the Russian leadership, the parliament and the public. "We will accept any assistance if it is aimed at Chechen settlement," said the ex-speaker.

Khasbulatov urged quick decisions of the central authorities bearing in mind every new day claims more victims. He stressed the need to abandon ideological and subjective approaches.

Asked about the anniversary of the October events in Moscow, Khasbulatov requested to "give up this topic". He said he has written a book about the October developments but do not want to attend the book's presentation as he does not want to link the present and the past.

In his words, the whole Chechen people is in opposition to the Dudayev regime. Chechen residents Khasbulatov has met say they can depose the regime themselves but it will cost too much lives. People hope for Moscow's assistance to the Provisional Council. As for his plans for

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the future, Khasbulatov said it would be expedient to hold elections approximately within 54 days in the presence of the Russian Central Electoral Commission and public representatives after the Dudayev regime is deposed.

The ex-speaker said that his task is to help the Chechen Provisional Council and not to seek a position for himself. He came to Moscow to use the name and confidence of the Chechen people and wants to meet any Russian official. In the words of Khasbulatov, the Dudayev regime has offered 50 billion rubles for his head. Mercenaries, who have survived the Afghan War, are acting in the Chechen Republic, and the Dudayev regime itself is very weak. There are no power structures to support it: neither the parliament, nor the court bodies nor the local governments. "There is only a deterrent, an armored fist which includes 20 tanks, Grad launchers, several dozens of trucks and buses with guards and mercenaries, which are backing up Dudayev," said Khasbulatov.

Holds News Conference 20 Sep

LD2009124594 Moscow Russian Television Network in Russian 1200 GMT 20 Sep 94

[From the "Vesti" newscast]

[Text] Ruslan Khasbulatov returned to Moscow today, the INTERFAX agency has reported. Khasbulatov is ready to meet with representatives of the Russian leadership to discuss ways to bring the situation in Chechnya back to normal. He also said he would stay in Moscow for two or three days to draw public attention in Russia and worldwide to the policy of killings pursued by Dzhokhar Dudayev. Khasbulatov is expected to give a news conference later today.

Decree on Reducing Uncontrolled Migration

MM2109085394 Moscow ROSSIYSKAYA GAZETA in Russian 17 Sep 94 first Edition p 4

[Decree No. 1021 of the Russian Federation Government "On Measures to Prevent and Reduce Uncontrolled External Migration," dated 8 September 1994, Moscow, and signed by V. Chernomyrdin, chairman of the Russian Federation Government]

[Text] In order to implement 16 December 1993 Edict No. 2145 of the Russian Federation President "On Measures To Introduce Immigration Controls" and for the purpose of adopting urgent measures to prevent and reduce external migration to the Russian Federation by foreign citizens and stateless persons, the Russian Federation Government rules that:

1. The Russian Federal Migration Service, Russian Federation Foreign Ministry, Russian Federation Ministry for Cooperation with the CIS States, Russian Federation Internal Affairs Ministry, and Russian Federation Federal Counterintelligence Service have two months to

submit agreed proposals to the Russian Federation Government on bilateral and multilateral intergovernmental agreements between the Russian Federation and the CIS states, the Latvian Republic, the Lithuanian Republic, and the Estonian Republic on preventing uncontrolled migration by foreign citizens and stateless persons.

2. The Russian Federal Migration Service, Russian Federation Justice Ministry, Russian Federation Ministry of Labor, Russian Federation Ministry of the Economy, Russian Federation Finance Ministry, Russian Federation Foreign Ministry, Russian Federation Counterintelligence Service, Russian Federation Internal Affairs Ministry, and Russian Federal Employment Service together with other interested federal organs of executive authority have two months to submit proposals to the Russian Federation Government concerning an immigration quota for foreign citizens and stateless persons seeking asylum in the Russian Federation and on the size of that quota.

3. The Russian Federal Migration Service, Russian Federation Foreign Ministry, and Russian Federation Finance Ministry have three months to submit proposals to the Russian Federation Government on setting up Russian Federal Migration Service offices at Russian Federation embassies in the states that provide most of the foreign citizens and stateless persons seeking asylum in the Russian Federation.

4. The Russian Federation Foreign Ministry, in conjunction with the Russian Federal Migration Service, has two months to supplement the official duties of the relevant state employees of the aforementioned ministry in order to prevent uncontrolled migration to the Russian Federation by foreign citizens and stateless persons seeking asylum.

5. The Russian Federal Migration Service and the Russian Federation State Committee for the Management of State Property, on agreement with the relevant organs of executive authority in the components of the Russian Federation, are to create in 1994 centers for the temporary accommodation of immigrants in Krasnodar, Maritime, and Khabarovsk Krays and Volgograd, Irkutsk, Leningrad, Lipetsk, Moscow, Novgorod, Novosibirsk, Orenburg, Perm, and Chita Oblasts.

6. The Russian Federation Finance Ministry is to provide prompt, specific funding for the creation of the temporary centers for immigrants mentioned in point 5 of the present decree out of federal budget funds allocated for the implementation of the Federal Migration Program.

7. The Russian Federation Ministry of Health and the Medical Industry and the Russian Federation State Committee for Sanitary and Epidemiological Supervision, insofar as their authority allows, in conjunction with the Russian Federal Migration Service and Russian Federation Ministry for the Social Protection of the Population, are to:

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—approve within two months normative documents regulating the sanitation, hygiene, and epidemic-prevention requirements for the housing of foreign citizens and stateless persons seeking asylum in the Russian Federation in temporary accommodations at immigration control points and in centers for the temporary accommodation of immigrants;

—devise within three months a procedure for organizing medical services (outpatient and inpatient examination and treatment and public health reviews) for foreign citizens and stateless persons seeking asylum in the Russian Federation and living in temporary accommodations at immigration control points and in centers for the temporary accommodation of immigrants;

—provide medical supplies, equipment, and drugs for temporary accommodation facilities at immigration control points and for centers for the temporary accommodation of immigrants.

8. The Russian Federation Internal Affairs Ministry, in conjunction with the Russian Federal Migration Service, in order to ensure the personal safety of foreign citizens and stateless persons seeking asylum in the Russian Federation, has two months to approve a procedure for escorting them to their temporary accommodations at immigration control points and to the centers for the temporary accommodation of immigrants.

9. The Russian Federal Migration Service:

—in conjunction with the Russian Federation Internal Affairs Ministry, is to temporarily settle foreign citizens and stateless persons who have applied to be recognized as refugees in the Russian Federation in centers for the temporary accommodation of immigrants in order to ensure their safety;

—with the participation of the Russian Federation Internal Affairs Ministry and the Russian Federation Federal Counterintelligence Service, is to check the information supplied by foreign citizens and stateless persons in order to validate their applications to be recognized as refugees in the Russian Federation and as a result make decisions on the aforementioned individuals in accordance with Russian Federation legislation.

10. The Russian Federation Internal Affairs Ministry, in conjunction with interested federal organs of executive authority, is to:

—carry out, insofar as its authority permits, the relevant measures to identify foreign citizens and stateless persons who are in the Russian Federation illegally in order to prevent and reduce uncontrolled migration;

—take steps laid down by Russian Federation legislation against foreign citizens and stateless persons seeking asylum in the Russian Federation and committing illegal acts.

11. The Russian Federal Migration Service, Russian Federation Internal Affairs Ministry, Russian Federation Foreign Ministry, Russian Federation Federal Counterintelligence Service, Russian Federation Federal Border Service/Border Forces Main Command, and Russian Federation Justice Ministry have two months to submit proposals to the Russian Federation Government on regulating the procedure for the deportation of foreign citizens and stateless persons who have been refused asylum in the Russian Federation.

12. The Russian Federal Migration Service, Russian Federation Ministry of the Economy, Russian Federal Employment Service, Russian Federation Ministry for the Social Protection of the Population, Russian Federation Ministry of Agriculture and Food, Russian Federation Education Ministry, and Russian Federation State Committee for Sanitary and Epidemiological Supervision, in conjunction with interested federal organs of executive authority and organs of executive authority in the components of the Russian Federation, have two months to submit proposals to the Russian Federation Government on the settlement and professional training and retraining of and provision of jobs for foreign citizens and stateless persons who have obtained the status of refugees in the Russian Federation and on social support and social security.

13. The Russian Federal Employment Service has three months to provide for the creation of departments (groups) in its own organs on the professional training and retraining of and provision of jobs for foreign citizens and stateless persons who have obtained the status of refugees in the Russian Federation.

14. The Russian Federal Migration Service, Russian Federation Justice Ministry, and Russian Federation Internal Affairs Ministry have two months to submit proposals coordinated with the Russian Federation General Prosecutor's Office and Russian Federation Supreme Court on collaboration among organs of state authority in the Russian Federation when examining in court cases dealing with matters relating to the migration of foreign citizens and stateless persons seeking asylum in the Russian Federation.

15. The attached statute "On the Procedure for Work With Foreign Citizens and Stateless Persons Arriving in or Present in Russia Seeking Asylum, for Determining Their Legal Status, and for their Temporary Accommodation and Sojourn in the Russian Federation." [as published]

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government.

New Anticrime Post Seen As Soviet Throwback
MM2009104594 Moscow IZVESTIYA in Russian 17 Sep 94 p 5

[Article by Leonid Nikitinskiy: "Government Restores 'First Departments'"]

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[Text] By its 8 September decree, the text of which has only just been made public, the Russian Federation Government has ratified a "Model Statute on Assistants to Leaders of Federal Organs of Executive Power and of the Executive Organs of Russian Federation Components for Questions of Combating Crime."

The "anticrime" assistants to leaders of federal executive organs and the executive organs of Federation components (which, clearly, include all the ministries in the capital and all the administrative departments in the regions) will be appointed from candidates of the "current reserve" of the Ministry of Internal Affairs and exclusively in coordination with it. They may be dismissed or subjected to disciplinary procedures in the same way (incentives may be offered without coordination). The crime assistants will be equipped with "separate premises, furniture, and communications systems as well as vehicles," to be provided by the organs of the executive thus blessed with these people "on secondment."

As for the special assistants' tasks, the decree says that they consist in "organizing the protection of the executive organs against infiltration and influence on the part of organized crime, in exposing and thwarting cases of corruption," and in collecting and analyzing the relevant information. To that end the crime assistants are empowered, among other things, to "provide organizational support for operational investigations and special purpose operations to combat crime and corruption," to request information, including information of a commercial character, to "conduct investigations into statements and reports on the involvement of state employees in corruption, to obtain the necessary explanations and information from them, to familiarize themselves with the materials of personnel files," and so forth.

There is no doubt that corruption is the scourge of modern Russian democratic power and must be fought. The relevant organs possess an adequate range of special means and methods for this purpose, including the installation (with the sanction of the prosecutor's office) of audio and video recording systems and the recruitment and infiltration of agents into such places and at such times as are warranted by alerts indictating that crimes are being committed or prepared. However, the special assistants from the current reserve will be installed everywhere, including in those executive organs from which alerts have not been received, and, according to the text of the decree, will conduct "operational measures" "as a matter of course," that is, without the sanction of the prosecutor's office and free of all control apart from the vertical control of their own Ministry of Internal Affairs.

The cadres of the secret and dread "first departments" are still alive, as are their traditions. Presumably when the special assistants are installed in their new apartments they will begin freelance recruitment of their own agents from among state employees, to which end they

will need complete dossiers of compromising materials. Those dossiers will be found in the now rusting safes, but where none exists or where there is a need to augment them the tried and tested method of general mutual denunciation will be used. In the absence of real facts of corruption or the inability to expose such facts (which, at a legal level, will hardly be helped by the institution of the post of special assistants) the assistants will artificially create such cases, given that they will inevitably have to report back on the work that they have done.

All of this was a commonplace in anti-Soviet literature back in the days of Soviet power and was described many times. In the past, admittedly, the main activity of the system was ideological surveillance and denunciation.

Media Issues

Official Body Seeks Ban on ZAVTRA Newspaper
LD2009152294 Moscow ITAR-TASS in English 1447 GMT 20 Sep 94

[By ITAR-TASS correspondent Tamara Ivanova]

[Text] Moscow September 20 TASS—The Russian Committee for Printing has filed a case in the court to put a ban on activities of the Moscow-based newspaper "ZAVTRA" ("TOMORROW") and declare its registration certificate invalid. As is known, lately the paper has at once received several official warnings for the violation of the Russian Federation Act 4 on mass media.

According to the law, even two such warnings, issued within one year, can serve as a pretext for imposing a judicial ban on publishing the paper.

Sergey Gryzunov, deputy chairman of the Committee for Printing, in an interview with ITAR-TASS emphasized that the paper "ZAVTRA" has been systematically abusing freedom of press, by publishing materials aimed at propagandizing for war, violence, inflaming social and ethnic intolerance and discord, without responding to official warnings.

Gryzunov also said that one of the most famous Russian advocates has given consent to bring an action against the paper. For the time being he did not name the counsel for the defense. A qualified judicial support for the case is quite important condition, because it is due to an advocate's weakness a similar court case against "ZAVTRA"'s predecessor "DEN" ("DAY") was lost last summer.

Ruling in Zhirinovskiy Case 'Inadequate'
MM2009130794 Moscow IZVESTIYA in Russian 17 Sep 94 p 2

[Report by Maks Khazin: "The Viewpoints of the People's Court and of Zhirinovskiy on Fascism Coincided Completely"]

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[Text] The court trial with regard to V. Zhirinovskiy's suit against the IZVESTIYA editorial board and Ye. Gaydar for the defense of his honor and dignity lasted an unusually long time—four days. I will remind you that the article "Gambling on Scoundrels" (IZVESTIYA No. 91, 17 May 1994) was chosen as the *casus belli* (occasion of war), while the suit designated just two expressions as being subject to refutation: "fascist populist" and "most popular fascist leader in Russia."

In my view, anyone, even a not very proud person, would be disturbed, to say the least, by such expressions as "imitator of Hitler, and very pathetic," "...all the classic signs of a fascist party, ideology, and personality apply exactly to Zhirinovskiy,..." "Zhirinovskiy is a talented demagogue; he does not mechanically copy Hitler and Goebbels but creatively develops the teachers' ideas,..." "Zhirinovskiy's electorate guess that their leader is a liar," and many others from the same article by Gaydar. But they did not disturb him. Well, the plaintiff is free to choose himself what to refute and what to agree with.

Moscow's Tverskoy Intermunicipal People's Court invited people's assessors—which is not only incredibly difficult nowadays but is hardly practiced in cases of this category. L. Bykovskaya was in the chair, seated between V. Shvarts and V. Toropov, pensioners.

The author and the refuter did not appear in court, entrusting the defense of their interests to attorneys: Zhirinovskiy to S. Belyak, and Gaydar to G. Reznik. The editorial board was represented by the author of these lines.

As is customary, the plaintiff's representative was the first to have his say. It boiled down to the following: His principal is not a fascist but a Liberal Democrat, and this is the name of his party; he does not call for the seizure of foreign lands, including those washed by the Pacific; the moral harm consists in the loss of voters, and it is simply unpleasant to read such things about oneself, and therefore compensation must be exacted from the defendants—25 million rubles [R].

Naturally, the editorial board did not acknowledge the suit: The newspaper had not disseminated any apocryphal information about the plaintiff, and the disputed expressions are merely a "diagnosis," so to speak—one politician assessed another in this way. Consequently, Gaydar merely made use of the right afforded him by the Russian Federation Law "On the Mass Media" to "set forth one's personal views and assessments in reports and materials designed for dissemination under one's signature."

Reznik also maintained that his principal's article does not smear the plaintiff's honor and dignity since it is of a clearly expressed analytical nature and pursues just one aim—that of defining the political essence of Zhirinovskiy and the party which he heads. "Fascism," he said, "is a term in philosophy and political science

denoting a certain political trend, and it is as just such that this concept is used in the article."

Referring to our lack of a scientific definition of fascism, i.e. one free from ideological dogmas, Gaydar's attorney cited a number of the chief qualities of fascist movements and regimes singled out by well known scientists: chauvinism, a cult of force, a cult of the leader, demagogic and false propaganda, a search for enemies of the nation, manipulation of the masses as the purpose of politics, disdain for democracy, an aggressive foreign policy. All these signs are applicable to Zhirinovskiy—which is what Gaydar established. To use the words of attorney Reznik, if a creature walks like a dog, barks like a dog, bites like a dog, and, at the same time, also looks like a dog, this means it is a dog. If a politician talks like a fascist, acts like a fascist, is friendly with fascists, admits to preaching ideas of national socialism, and, at the same time, also identifies himself with Hitler, then he is a fascist.

Let us, however, digress from the court trial and return to Gaydar's article. Zhirinovskiy's attitude to it was not always unequivocal.

In March 1994 he brought another suit for the defense of his honor and dignity with regard to the fact that in a television speech Gaydar had compared him to the 1929-model Hitler. On reading the article "Gambling on Scoundrels," Zhirinovskiy recalled that suit, satisfied that the author "had not intended to disseminate information about me which does not tally with reality and which smears my honor and dignity...." Thus, one and the same article was regarded as grounds to terminate one court case and to begin another. True, Zhirinovskiy soon recalled his own recall and intended to resume litigation. This was not the first time this inconsistency and legal illogicality had been manifested.

On Zhirinovskiy's initiative IZVESTIYA had made its pages available to him several times, so that he could express his views. And he did so. His article "Collapse of the Fourth International" and Otto Latsis' commentary "Simple Solutions Are the Lure of the Russian Nazi" were published 28 August 1993. The headline is unambiguous, and there is no need to cite the article itself. What happened? Was Zhirinovskiy indignant, did he go to court and demand a refutation? Not at all.

But suddenly there was an abrupt surge of emotion following Gaydar's article. What can account for such a strong outburst of resentment with regard to his own honor and dignity? I believe that the court intrigues which he initiated are nothing more than a publicity trick designed to revive the flagging interest in his persona. Hence one suit and its recall, the second suit and the recall of the recall, etc. And everything is described in the newspapers, shown on television, and reported on the radio. In the final analysis, this is free publicity.

Assistant Interrayon Prosecutor S. Bursuk spoke after a break of almost two days.

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Alas, her summing up struck me as surprisingly inadequate for what had happened. Both in history and in court. In her opinion, fascism only means war, gas chambers, and the Nuremberg trial—which, as is well known, is not applicable to Zhirinovskiy. (As though fascism had not been maturing prior to the seas of blood....) Therefore everything that the plaintiff requests is to be refuted, and the moral harm is to be compensated to the tune of R1 million.

This was what the court decided.

Now over to Moscow City Court, where appeals will be lodged.

Regulations on Foreign Journalists' Accreditation

MM1909124594 Moscow ROSSIYSKAYA GAZETA in Russian 17 Sep 94 First Edition p 5

[Russian Federation Government Decree No. 1055, signed by Premier Viktor Chernomyrdin and dated 13 September 1994: "On the Ratification of the Regulations Governing the Accreditation and Residence on Russian Federation Territory of Foreign Mass Media Correspondents"; decree is accompanied by the text of the regulations and a commentary by Vladimir Kuznechevskiy]

[Text] The Russian Federation Government resolves that:

1. The appended regulations governing the accreditation and residence on Russian Federation territory of foreign mass media correspondents shall be ratified.

The Russian Federation Foreign Ministry shall inform interested Russian Federation ministries and departments, foreign embassies in Moscow, and foreign mass media correspondents accredited in Russia of the aforesaid regulations.

2. As laws or other normative acts concerning the questions of the legal regime governing the residence on Russian Federation territory of foreign mass media correspondents are adopted in the Russian Federation, and as the Russian Federation signs the corresponding international documents, the Russian Federation Foreign Ministry, the Russian Federation Committee for the Press, the Russian Federation Federal Counterintelligence Service, the Russian Federation State Customs Committee, and the Russian Federation State Tax Service shall submit proposals to the Russian Federation Government on making the necessary additions and amendments to the regulations ratified by this decree.

3. The basic regulations governing the professional activity on USSR territory of mass media correspondents from foreign states, ratified by USSR Council of Ministers Decree No. 304 of 13 April 1989 (USSR Collected Decrees No. 21, 1989, p. 65), shall be deemed null and void on Russian Federation territory.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government

[Dated] Moscow, 13 September 1994
No. 1055

Regulations Governing the Accreditation and Residence on Russian Federation Territory of Foreign Mass Media Correspondents

1. The legal position and professional activity of foreign correspondents, including correspondents from the CIS countries, accredited in the Russian Federation, are regulated by Russian Federation international treaties, the Russian Federation law "On the Mass Media," and other acts of Russian Federation legislation, as well as by these regulations.

2. The opening of foreign mass media correspondent centers in the Russian Federation requires the permission of the Russian Federation Foreign Ministry (hereinafter the Russian Foreign Ministry) unless otherwise stipulated by Russian Federation international treaties.

3. Foreign correspondents in the Russian Federation are accredited by the Russian Foreign Ministry in accordance with Articles 48 and 55 of the Russian Federation Law "On the Mass Media," unless otherwise stipulated by Russian Federation international treaties.

4. An application to open a foreign mass media correspondent center is sent by its leadership to the Russian Foreign Ministry either direct or through the Russian Federation diplomatic mission in the country in question. (Footnote) (An application to the Russian Foreign Ministry to open a foreign mass media correspondent center in the Russian Federation and to accredit a correspondent consists of a letter on the official paper of the mass media organ signed by the given mass media leadership, or a diplomatic note from the corresponding country's embassy in the Russian Federation, information about the mass media organ, a biography, information about the correspondent's journalistic activity, and two photographs. Moreover, Russian citizens applying to the Russian Foreign Ministry in relation to these matters will be required to produce evidence of their registration [postanovka na uchët] with territorial organs of the Russian State Tax Service.)

5. The decision to open a foreign mass media correspondent center is made by the Russian Foreign Ministry within not more than two months of the receipt of the application, after which a certificate on the opening of a correspondent center is issued.

6. Journalists, irrespective of their citizenship, and representatives of periodicals, radio, TV, video, and newsreel programs, and other forms of periodic dissemination of mass information can be accredited as foreign mass media correspondents in the Russian Federation.

7. An application to accredit a foreign mass media correspondent is sent by the foreign mass media leadership to the Russian Foreign Ministry under the procedure laid down in Paragraph 4 of these regulations.

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8. The decision to accredit a foreign mass media correspondent is made by the Russian Foreign Ministry within the period laid down in Paragraph 5 of these regulations.

9. Accredited correspondents are issued with foreign correspondent credentials good for up to two years.

10. The correspondent's family members are issued with a foreign mass media correspondent's family member card for the same period.

11. Journalists, irrespective of their citizenship, who are sent to the Russian Federation by their editorial offices to cover individual events and whose visas are supported by the Russian Foreign Ministry can be temporarily accredited as correspondents. Journalists who enter the Russian Federation with their visas supported by other Russian organizations are accredited by the Russian Foreign Ministry at the request of the leadership of those organizations.

12. The category of special correspondents temporarily accredited with the Russian Foreign Ministry may also include journalists who come to Russia to replace the main correspondent when the latter is on leave, sick, or on a posting to another country.

13. Special correspondents are issued with a special correspondent's card for a period of up to three months, with a possible extension of up to six months.

14. Persons, irrespective of their citizenship, who work at correspondent centers as producers, editors, secretaries, translators, and specialists in the servicing of TV and film equipment or communications may be accredited as technical staff at foreign mass media correspondent centers.

Persons carrying out other duties at correspondent centers are regarded as service personnel and are not registered as correspondent center technical staff.

15. Applications to register technical staff are sent to the Russian Foreign Ministry by the mass media leadership or the foreign mass media correspondent accredited by the Russian Foreign Ministry in the form and under the procedure laid down in Paragraph 4 of these regulations.

16. The decision to register technical staff at the Russian Foreign Ministry is made within not more than two months of the receipt of the application.

17. Registered technical staff are issued with foreign mass media correspondent center technical staff credentials good for up to two years.

18. No later than 15 days before the expiry of correspondent (technical staff) credentials, the leadership of the foreign mass media organ applies to the Russian Foreign Ministry to extend the credentials. Technical staff credentials are also extended on application from the correspondent accredited by the Russian Foreign Ministry.

19. In the event of losing their credentials, correspondent center correspondents or technical staff they must report the matter to the Russian Foreign Ministry. The question of issuing duplicate credentials is examined within two weeks.

20. An accredited correspondent can be recredited on the basis of an application from the leadership of a new mass media organ. A decision on recreditation is made within two months.

21. Staff at foreign diplomatic missions, consular institutions, military attache apparatuses, Russian registered offices of airlines, banks, trade and industrial, and brokerage firms, and persons who are Russian mass media staffers cannot be accredited as correspondents or registered as technical staff at correspondent centers.

22. The Russian Foreign Ministry can terminate the accreditation (registration) of persons proposed by the leadership of a foreign mass media organ if they have violated Russian Federation legislation, in the cases envisaged by Article 48 of the Russian Federation Law "On the Mass Media," or on the basis of Articles 19 and 20 of the International Pact on Civil and Political Rights.

23. The Russian Foreign Ministry may take retaliatory measures against mass media correspondents from countries where restrictions against Russian journalists are in force.

24. Accredited foreign journalists hand in their credentials to the Russian Foreign Ministry at the end of their activity in the Russian Federation.

25. Entry to the Russian Federation by reappointed correspondents (special correspondents, technical staff) who are foreign citizens requires a passport or equivalent document bearing an entry visa issued by a Russian Federation consular institution, unless another procedure is laid down by Russian Federation international treaties.

Russian Federation consular institutions issue entry visas within five working days to persons in the aforesaid category on a reciprocal basis provided that the Russian Foreign Ministry agrees to their accreditation (registration).

26. Accredited correspondents and registered technical staff at mass media correspondent centers from countries with which corresponding bilateral agreements exist, irrespective of their permanent place of residence, are issued with one-year multiple-entry visas unless other bilateral accords are in force.

27. In the event of the main correspondents' being temporarily replaced (during leave, sickness, a posting to another country, and so forth), entry visas are issued to the persons replacing them under the procedure envisaged by Paragraph 25 of these regulations.

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28. Upon arrival in the Russian Federation foreign correspondents, technical staff, and their family members are obliged to register with the relevant Russian Federation Ministry of Internal Affairs organs within three working days.

29. Foreign mass media correspondents accredited in the Russian Federation, irrespective of their citizenship, have the rights and duties of journalists envisaged by Russian Federation international treaties and legislation and by these regulations.

30. Accredited correspondents are entitled to set up a professional journalism organization on Russian Federation territory provided that it operates on the basis of rules ratified by its members and their provisions do not run counter to Russian Federation legislation.

31. Representatives of foreign mass media accredited with the Russian Foreign Ministry and their family members can invite citizens of foreign states as their personal guests. Visa matters and questions of the legal status of their presence in the Russian Federation are resolved through the Russian Foreign Ministry.

32. Accredited foreign journalists can bring equipment and printed, handwritten, audio, video, and photographic materials required for their professional activity, as well as domestic articles, in and out of the country in accordance with the rules governing state customs controls.

33. Accredited correspondents and technical staff at correspondent centers, as well as their family members, can avail themselves of the services provided by the corresponding Russian Foreign Ministry subunits servicing the diplomatic corps in Russia.

34. Foreign correspondents accredited with the Russian Foreign Ministry are entitled on a reciprocal basis to freedom of movement around Russian Federation territory, with the exception of closed facilities where visits require special permission.

35. Russian Federation citizens accredited (registered) as foreign mass media correspondents (technical staff) enjoy the status of foreign correspondents (technical staff) only while carrying out their professional duties.

Commentary

There has long been a conviction in the international journalists' corps that Russia is now one of the most attractive countries for foreign correspondents to work in professionally. This is due to one quite obvious fact that for several years now Moscow has been a place where highly important lines of international political life intersect and where events determining the overall spirit, background, and climate of the international political scene take place. And this is almost entirely independent of whether or not leading political circles in the capitals of the leading states take this into account or not. It is just that not a single major event of any

importance in the world can occur without Russia or without its reaction being perforce taken into account.

But until recently international journalism organizations continually complained that very great restrictions existed on foreign journalists' professional activity in Russia, since the main regulations regulating their work were adopted while the USSR still existed.

There is no longer any point in arguing about whether this was the case or not, since the Russian Federation Government decree published today rules these regulations—ratified by the USSR Council of Ministers decree of 13 April 1989—null and void and finally puts a stop to all the rumor, gossip, and talk along the lines that for ideological, political, or other reasons there are obstacles in Russia to foreign correspondents' professional activity.

Henceforth foreign journalists' work in Russia will wholly coincide with the regulations adopted in the CSCE. Moreover, the accreditation of foreign correspondents in Moscow, although contingent on permission from the Russian Federation Foreign Ministry, will now essentially just be a question of making an application, since the Russian Federation Government decree makes no provision for any restrictions on this score for either the journalists themselves, their family members, or their guests.

Equally the document places virtually no restrictions on trips by foreign correspondents around the Russian Federation. With the exception, admittedly, of closed facilities—visits to them are not in fact prohibited but do require special permission. Incidentally, this is a generally accepted international norm applied in almost all civilized countries.

The transition from closed areas to closed facilities in Russia—that is, the retreat from the old classified practice of the Soviet period to the democratic system in the new Russia—began in 1992. Such facilities include military garrisons and certain defense enterprises. But the regulations governing movements of foreign correspondents under these circumstances have been settled with most states on a reciprocal basis.

It is worth noting that the decree draws no distinction between foreign correspondents from the so-called far abroad and near abroad—in other words, the CIS countries. All have equal rights.

Economic Issues

Yeltsin Signs Economic Package

МК2109095094 Moscow NEZAVISIMAYA GAZETA in Russian 21 Sep 94 p 2

[Report by Sergey Rybak under the "Reform" rubric: "President Signs Last Package of Edicts. A Separate Edict on Securities To Emerge Soon"]

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[Excerpts] Yet another package of presidential edicts—on state duties, on advancing financial leasing, and on private investment—was signed at the beginning of this week. Presumably, this will be the last package of edicts because, according to Deputy Prime Minister Aleksandr Shokhin, the drafters of economic edicts have abandoned the package format, and further documents regulating the development of the economy will be submitted to Boris Yeltsin for signing as they are being drawn up. [passage omitted]

Among other things, the government's possible share in investment projects has been set in the edicts. The state's share in financing such projects will now be limited to 20 percent, while interest rates will be determined by the Central Bank. In addition, Aleksandr Shokhin said, the president will sign an edict on securities in the near future.

Chernomyrdin Interviewed on Economy

LD2009213594 Moscow Ostankino Television First Channel Network in Russian 1740 GMT 20 Sep 94

[Interview with Prime Minister Viktor Chernomyrdin by Aleksandr Minayev; date, place not given—recorded]

[Text] [Minayev] Viktor Stepanovich, more than two months have passed since the last full government session. In your view, what is the current economic situation and what are the latest tendencies? And, of course, you had your working meeting with President Yeltsin in Sochi, and there was the new package of economic decrees—all this arouses great public interest and naturally the interest of journalists. Let's talk about this today.

[Chernomyrdin] Today it is possible to talk about certain things, about certain results. Putting it in a nutshell, what we are first and foremost working on just now, we are creating in essence the conditions in the country for the economy to develop in a certain direction. We are namely working on the conditions. I have said this many times, and I am saying that today these concepts, and the merging of these concepts,—the concepts of regulation, the concept of creating conditions—have been set out, confirmed, and approved in a program, a specific program of specific actions for this year, and in essence for 1995.

[Minayev] The creation of conditions for a market economy.

[Chernomyrdin] Absolutely, this is the main, most important thing that we have to do just now.

[Minayev] Viktor Stepanovich, your recent working meeting with the president, the new package of economic decrees. I know that only a portion of these decrees have been signed and published, but you probably know more than everybody in our country what the contents of these decrees are. As far as I know, the decrees were developed and prepared by the government.

[Chernomyrdin] I have to say that, yes, several days ago I had a meeting with the president and we spoke about many questions and prepared a new series of documents, decrees, instructions, and government resolutions which had been signed in recent days. And they are confirmation of what I am talking about. Before I talk about these documents I have to say that a very particular question today for us, for Russia, is the creation in the economy of a self-supporting investment process.

[Minayev] Taxes in the West are called the only form of regulation in a market economy. What is the tax situation here now? An awful lot is said about stimulating investments, but aren't taxes too high in your view? Are they not hacking at the roots of all sorts of private entrepreneurial initiative?

[Chernomyrdin] I can say straight away that two months ago we decided our position and began work and now, in September, we have formulated a whole package of documents on the tax system, to change it. We wish to reduce the pressure of taxation on the whole and, perhaps even, transfer more of this burden today, to reallocate it from legal persons to physical persons. We wish—and this is demanded by life itself—to free legal persons somewhat from some taxes, from the quantity of taxes. What is required first of all, and it is clear to me, what life requires, is for changes to be made, to reduce the tax on profits and reduce VAT. This is very important.

Today taxes on legal persons need to be altered. For physical persons it is also no less important today. Of course, this applies in particular to the low-paid categories. Here it is clear that the time has come. Decisions will be taken in the very near future to reduce taxes. Or at least not to harass people, not to raise them, but to change the taxes. Some taxes will be raised for the highly paid. I can even say straight out that perhaps they may even be raised considerably. But, perhaps, not too much. It is also no good when taxes go off the scale and tie people's hands. That is no good.

[Minayev] And immediately swap over to a general levelling-out.

[Chernomyrdin] Yes, of course. Or else, on the contrary, why should we obstruct those who work hard and earn money? This also, does not provide any incentives.

[Minayev] What is still the most frightening thing for Western investors—high taxes or our instability and unpredictability?

[Chernomyrdin] You know, they are most frightened by the second thing. At present the main question is why is investment not coming in or why do we link everything with investment? I have some of the draft decrees with me, which the president signed literally a few days ago and which we worked on. A decree has been signed on private investments in the Russian Federation. What difficulties we have at present in the engineering industries, in the defense complex, in light industry. There are

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various reasons for this. There are particular reasons and the main ones, especially for engineering and for the defense complex, [pauses]—a complex which is highly equipped which, as the saying goes, has everything, in effect. It has a vast potential in its work force, in its scientific institutes, in everything.

[Minayev] But investment is needed.

[Chernomyrdin] Not just that. Investment is needed to carry out conversion. But we must try to learn and understand how to make use of the defense complex for the needs of the national economy.

Today we cannot use it in such a volume and in such a degree for defense purposes. Meanwhile, it is the flower of our nation, as the saying goes. So this is the question of questions.

And take a look at another side, that is, general and civil machine-building. I do not want to run down anyone today, but today more depends on what we produce and the competitiveness of our output. I think that this process is more important today. Or take light industry. It is not that we do not need it today, on the contrary. Will we be able to provide for ourselves? Of course we will. A certain standard of quality is needed, though, without which we will not advance. And these decrees precisely will attract our Russian capital, first of all, albeit small for the time being. I am convinced of this. Nobody will do it for us, and I think that it is our capital, mainly, that will do the job. Here [Chernomyrdin points to a piece of paper]—this is on developing financial leasing in investment activity, something for small and medium businesses precisely and for entrepreneurship in general. Leasing means, in fact, a possibility to lease enterprises or basic assets for a long term or on conditions of deferred payment. Today a possibility has appeared to legalize and create certain conditions for the development of financial leasing. This is a very important document, a very important decree which comes into force today.

Also, a decree on state duty has been signed. Its purpose is to bring order in this area, too. It concerns, first of all, our [pauses]—it concerns everybody, both entrepreneurs, private farmers, and enterprises. For instance, if I have to go to the Arbitration Court, I will have to pay such a duty straight away. So all this has been cleared today and we are putting everything in order. This is a very important document.

There are many documents today, an extensive program has been prepared today on the social side of the national economy, on social matters.

[Minayev] One should not forget, perhaps, the problems of our science and education, the salaries of lecturers and professors teaching in higher educational establishments, and student grants. Russia should take care of the future of its science.

[Chernomyrdin] Yes, you are right. I cannot accept this at all. If an individual works, if he attends his work place, if he works at an enterprise, he must be paid whatever our difficulties and problems. And if delays occur, a good deal depends on our federal bodies, but there are questions, too, which should be solved in a more resolute and clear way locally and in the regions. What have we done to date? First of all, regarding, especially, the issue of education, science and students. To pay back all today's debts, we have resorted to our reserves, currency reserves to which we have a right to.

We, as a rule, use them at the end of the year or at the start of the new year. It all comes down to the fact that we still have to pay off our debts. We made a decision today. I have now approved and signed a document in order to activate part of the reserves in order to pay them off—to pay wages off.

What, essentially, are we talking about? We need to pay up in order to remove all the problems with the debts. First of all, that means paying wages and grants in order to get back to normal—in order to recreate regularity in payments. That's how we'll put it. This is very important.

The same applies to the military - our power structures, as we call them. The only thing is that there will be a delay for a number of categories. There may be a delay of a month or so for, I repeat, individual categories. But we will remove this problem at the end of the year.

I must also say that we have now made a decision. I have signed a telegram also signed by the heads of the Finance Ministry and the central bank, whereby 30 percent of all tax revenue is to be retained by enterprises. This is only, in the first place, for paying wages. Meanwhile, 70 percent of this revenue will go into the federal, regional, and local budgets. This is very important and I think that at the end of the day this process ought to get on its feet—to take a normal course. So I do understand...

[Minayev, interrupting] Will we manage to cope with the non- payments without raising inflation?

[Chernomyrdin] As far as non-payments are concerned, as far as inflation is concerned, these two issues are interconnected. It's a process which we must follow and keep in mind. I should say to you immediately, and maybe, straightaway, to some extent, dampen down expectations. Everything we do, we do within the framework of the budget. Today we essentially finished examining the draft budget for 1995 and we will submit the draft budget for 1995 to the State Duma when it begins its work.

[Minayev] And you think that the Duma will approve the budget for next year? After all, in recent years, it's been very difficult to get the budget passed.

[Chernomyrdin] We are creating a stable inflation at a level of five percent. This is not great but, at the same time, it isn't negligible. Let's put it like that. Five percent for us, for our economy...

[Minayev, interrupting] Viktor Stepanovich, I want to ask you another question which I think interests very many of our viewers. It is about the noisy scandals around shares. All this has been caused, we think, by uncertainty on the share market. People from government circles said many times that victims of pyramid games, gullible shareholders in various joint stock companies and concerns, must not bank on state support. Perhaps we have the right to hope that such scandals will not occur in the future. As far as I know the new package of decrees contains one on regulation of share markets.

[Chernomyrdin] This problem emerged essentially after privatization. Share markets can not exist without privatization, without a process of privatization. And the importance of developing share markets is comparable to that of privatization. These things are very important and they are here essentially forever.

The government has recently made a decision that one of the deputy prime ministers will now be engaged full-time in organizing share markets. A number of documents geared towards the organization of the share market are now in the pipeline. They will be submitted to the State Duma. The scandal around the MMM broke out at the time when the process of organizing the share market went out of control. I do not rule out that these processes might go out of control in the future too. Western experience shows that these processes exist in many countries even today. We are not going to introduce any bans. But all these games must abide above all by our legislation. They must be played within the law, within the limits set out by law. It is though up to the individual himself to choose how he wants to invest his or her money. But that means that everybody will have to take responsibility for his actions. If you have chosen shares in a company, then complain not. If you choose to invest in another one, it is your private matter.

[Minayev] The recess is coming to an end. You have already said to an extent what the government intends to submit to the sessions of the houses of the Federal Assembly. Will there be anything new in relations between ministers and deputies? I must say, incidentally, that some members of your cabinet, while being members of parliament, were not seen often in the chamber.

[Chernomyrdin] Well, I think that they will come around more often now. Incidentally, this, too, is characteristic of relations. I can put it straight that, given all the circumstances, in my view, relations with our parliament are satisfactory for myself and the government. Naturally, they are not simple—there is nothing simple there—but at least they are businesslike, at least we are working together normally. And I must say, on the whole, that 1994 has, in fact, been such that we have been thinking more about how to work, how to deal with practical and concrete issues and the economy but in no way about some kind of politicking.

[Minayev] The government has been freed of politicking?

[Chernomyrdin] Of course, I do not know anything...

[Minayev, interrupting] Knock on wood!

[Chernomyrdin] I would like it to remain this way for ever. Again, I am not simplifying anything; it should not be too simple, since there are many issues which require special consideration or a special view even. As a rule, deputies represent regions, they represent definite trends in our society. They reflect this society, and I am far from saying that everybody should think like us or like me. But I must say today that we already live in a different political age today, when the Constitution is in effect. Whatever criticism we may level at one another, and there are things deserving criticism, we live and work in line with the Constitution, after all, and this is very important.

The Treaty on Public Accord has been signed, and mechanisms for implementing this treaty are being developed today. This is a complicated process, too. I think that in today's situation we all need patience in order to adhere to our agreement.

[Minayev] Viktor Stepanovich, I think that one thing that our people have is a lot of patience.

[Chernomyrdin] Once again, I had in mind, perhaps, not as much our people as individual leaders of individual trends. Of course, I cannot fail to mention today that each of us feels uneasy at heart today, and we cannot deny today that each of us has an after-taste of last year's events. The price that has been paid for this accord and the memory obliges all of us to always remember what we did it for and what we are doing it for, in general. I would like to say once again that when society is being stirred up, let each person think and decide what he actually wants and what he expects to achieve.

I said it, I say it. I'm convinced of this. There is nothing that we cannot discuss around a table. We can find solutions—it's up to us to find decisions—around a table. So come and see us. Let's get together. Let's have ideas. I'm saying this because the issue of public accord is a difficult process. It's a complex process. And it depends on everyone, after all.

[Minayev] From time to time, reports appear saying that one or another minister is about to resign. This unusual list contains the names Shakhrai, Shokhin, Zaveryukha, and not just Viktor Stepanovich. How can the cabinet do its work?

[Chernomyrdin] Well, I should tell you this: that when we—that when they hear this talk, somebody wants to quit ...

[Minayev, interrupting] On the subject of creating a stir.

[Chernomyrdin] Yes. No one—the people whose names you've given have been doing their work and will go on working. They are working. You never get a situation without some movement. Of course there'll be someone, this or that minister leaving. We are even short of a few

ministers at the moment. We are making selections today for certain ministries. I can tell you straight: the government is working under pressure, but at least it doesn't have any internal, shall we say, squabbles—whether that's a good or a bad thing.

And you know, you would think that with all this ferment going on around them they would be quarrelling at the slightest thing. But that's not the case. There are people who'd like to see us arguing, who'd like to see so-and-so getting at so-and-so along with so-and-so. But that does not happen. Nor could it happen. They are decent people. Decent people doing a decent job. And I can tell you that...

[Minayev, interrupting] Is it a hard job?

[Chernomyrdin] It's the hardest job. I'm a long way from saying that we have done everything and that everything has worked out for us. Far from it. There's much still to be done and done over again, too. But as long as we can, with the help of God, avoid these various skirmishes, then we'll get the work done. At least, this has never caused me anxiety. Nor does it now. As long as I am working, that, for me, is out of the question. Under me, with me, as long as I am the leader—and I wasn't born yesterday—I've been here two years, I've been chairman for around two years, and before that I was a director, too—while I've been around there have never been any squabbles. And there won't be any.

[Minayev] Viktor Stepanovich, the Ostankino TV company would like to thank you for the interview. I have sensed optimism in what you have said. The only thing I'd like to add is that it would probably be good for everyone, for journalists and for politicians and, first and foremost, for readers and viewers, to count upon meeting Russia's leaders more often. There are too many questions to get through today.

Views Reform Breakthroughs

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[By ITAR-TASS]

[Text] Moscow September 20 ITAR-TASS—“Everything we are now doing can be summarised in one phrase: We are forming conditions for transition to a new stage of reforms, when priority will be given to support of investments, which in turn will stimulate structural shifts,” Russian Prime Minister Viktor Chernomyrdin said in an interview which the newspaper ROSSIYSKAYA GAZETA publishes in its issue of September 21.

“A self-supporting investment process in the economy is the key sign indicating that the transition period is coming to an end. If there are stable mechanisms of implementing private investment projects in the industry, in the transport sector, in the development of

communications and social infrastructure, it means that a market economy in the full sense of the word has taken shape.

“We are now busy ‘oiling’ all instruments and mechanisms of the state's economic policy in preparation for accomplishing this task. At the same time we are building mechanisms of implementing the packages of the president's economic decrees, the entire logic of which is constructed in a way which must ensure a certain breakthrough, a shift in solving a new class of problems in the field of reforms.

“I have in mind first of all the decrees ‘On Private Investments in the Russian Federation’ and ‘On the Development of Financial Leasing in Investment Activity’.

“The government will henceforth assign annual capital investments in the amount equaling 0.5 percent of the gross domestic product to finance highly effective investment projects prepared with the participation of commercial structures. These resources will be placed exclusively through tenders.

“The share of the state in every one of such projects will amount to 20 percent. The rest will come from private, including foreign investors. There is only one criterion for the selection—investments must be made in the ‘points of growth’ and be repaid within two years. The question about the ownership of the newly created or updated installations and production facilities will be decided in accordance with the amount of resources invested.

“As concerns leasing, it is becoming one of the priority directions of the government support of domestic businesses. Open joint stock companies and other leasing enterprises will be given, among other things, an opportunity to benefit from certain customs privileges in cases of temporary imports of commodities for use in leasing transactions.

“These are two examples of what the government is now working on in the field of encouraging investments.

“The present state of the economy prompts these moves. We have considerably slowed down inflation. On the one hand, this gives us an additional chance of maneuvering in the financial sector. On the other hand, a certain budget tension has a reason because of a reduction in the revenues.

“Regardless of whether we want it or not, financial stability is directly dependent on the situation in the industry. The first encouraging results have appeared here after all. A tendency of stabilisation has been evident in industrial production for the third month in a row. It is indicative that the growth trend is marked in the basic industries. In September, the production of electric energy has increased by seven percent, of coal by

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four percent, of steel pipes by 14 percent from August and the level of oil and gas production is practically stable.

"Along with this, machine building is going through a structural crisis, as are most of the branches of the light industry and the production of durables.

"The main reason for the lowering of the volume of production in these industries is the poor competitiveness of their products, and, as a result, low demand for them.

"All the main problems are associated with the question of corporate debts and non-payment. This is a truly Gordian knot of our economy. It cannot be cut with one blow, and we need coordinated, well-considered actions along the entire front of economic reforms. It is with this in mind that an operational government commission was set up. It has not been there long but shifts have already been made.

"Of key importance for solving the non-payment problem is an agreement between the basic sectors of the economy (transport, power engineering, metallurgy, coal mining, and the energy system) on joint actions to stabilise prices in the second half of 1994 and on the mutual acquittance of debts.

"To put it briefly, the key question of our policy in the next few months is how to upgrade payment discipline and normalise the system of payments in the national economy. If we make headway in this, it will be possible to speak about our reforms reaching a new frontier.

"As concerns work for the perspective, the drafting of the federal budget for 1995 is now nearing completion, the government has received a package of proposals on streamlining the tax system. We are working on principles and mechanism of the structural and investment policy. The State Property Managing Committee (Goskomimushchestvo) is preparing a package of regulatory enactments designed to ensure implementation of post-voucher or investment privatisation.

"Work has begun to prepare a government draft economic programme for 1995-1997. The first version will be ready by the beginning of October. Its wide-scale discussion will begin thereafter.

"The president instructed the government by decree to submit to the State Duma a number of bills designed to improve the tax system. The aim of these alterations is to reduce the number of taxes, the reduction by 10-12 percent of the level of the main tax rates, levied on enterprises (meaning first of all the profit and value-added taxes, as well as taxes levied on the amount of labour remuneration and the volume of production).

"We are planning to reduce the tax burden on economic entities, primarily by reducing the number of all kind of extra-budgetary funds. We shall establish a no-nonsense

list of federal, regional and local taxes. There should be no "voluntarism" in these questions, particularly in the provinces.

"One difficult question is taxation of individual incomes. In order to ease the tax pressure on the poorer categories of citizens, we plan to double (from one to two monthly minimal wages) the tax-exempt income subtracted from the aggregate annual income. The minimal tax rate of 12 percent remains. But it has been proposed to raise the rate for persons with extra-high incomes from 30 to 35 percent.

"Draft laws on this will be submitted to the Duma in a few days. The reform of the tax system must be crowned with the promulgation of a tax code of the Russian Federation, a conceptual framework for which will have been worked out by the end of this year, so as to submit it for consideration by our legislators next year.

"We shall be making changes to the tax system in the next three to four years for the country to enter the new tax regime gradually, without abrupt leaps to and fro.

"On the financial market, there have been ever more frequent cases of abuse, including of citizens' rights, which makes it incumbent on the government to take urgent measures. We see it as our chief task to expedite the adoption of laws on joint stock companies, securities and stock markets. The preparation of these laws at the government level is nearing completion. These laws must reflect all questions associated with the activity of all participants in the securities market, issuers, investors, financial intermediaries and consultants, as well as of bodies of government supervision and regulation of this market".

Asked how the so-called seasonal factor affects the country's economy, the prime minister replied that the seasonal factor has always existed and will always exist in our economy. It is due to Russia's geographical location, its natural and climatic conditions and many other things. It is objective reality which cannot be ignored. The question is how to create an optimal system of economic management, thanks to which the economy will be able to pass through seasonal peaks without undue shocks.

"I think many people will agree that the seasonal factor is like the proverbial rake on which we have stepped for several consecutive years in pursuing our entire anti-inflation policy. The problem (frankly speaking, one of the chief problems today) is that we have yet to live to see the finally formed market mechanisms in this field. I would even say that the transitional character of our economy and all the ensuing costs and losses associated with transition are felt most acutely and painfully in the effect of the seasonal factors.

"This year is, to a large extent, a crucial year. I would like to stress that we are deliberately departing from some old schemes. I know that there is a variety of views on this, but there is no ground for panicking. The accumulation

of the stocks of fuel by the suppliers and the consumers ahead of the autumn and winter period is proceeding as scheduled. We are expecting that by October 1, the stocks of fuel will be created in amounts comparable to the 1993 level. The level of accumulation of coal in the Far North and east of the Urals is, on the whole, the same as Russia's average.

"The harvesting campaign is drawing to an end. We are expecting 90 million tonnes of grain to be brought in. Crops have been harvested on one half of the total sown area. Some 70 million tonnes of grain are ready to be put in storage.

"We need 36 million tonnes of grain to meet all federal and regional fund needs. This amount of grain can surely be procured from this year's harvest.

"The main problem here is a shortage of monetary resources for grain procurement. The lower pace of procurement this year in comparison with last year's pace is due to this shortage. But things are getting straight now. Real money has begun to come in for the purchase of grain. At the same time, the sowing of winter grain crops is proceeding at a better pace than last year.

"The situation with the 'supplies to the north' is normalising. The amount of the provided centralised financial resources has reached 9.2 trillion roubles, with the total demand being for 9.5 trillion roubles. In a number of cases, the regions which are affected with a shortage of resources have decided to secure provisions to the north under government guarantees.

"Of course, there are still many acute problems in the regions, we shall not tarry in solving them, all mechanisms have been well-oiled, including a mechanism of attracting the Defence Ministry's forces and means (mainly its transport aviation).

"I want to reiterate that as far as seasonal factors are concerned, we shall accomplish our tasks at the same level as in 1993. Personally, I do not feel satisfied by this. Because new market mechanisms have not yet been shaped in full measure. And if we make a breakthrough in this, every new year will demand ever more efforts to keep abreast of the achieved level.

"What we need is not battles for grain, but a normal grain market. This is one reason why we decided against fixed grain prices. We have recommended prices, which exist along with exchange prices. The exchange prices are lower, I see this as the first serious market effect.

"A considerable part of the grain harvested last year has not been sold. In these conditions, the federal and regional funds are purchasing the best quality grain. This is another positive shift. The consumer stands to gain from this. The lower the prices, the easier is the situation with animal farming.

"But if, thanks to our present pricing policy, a grain market takes shape, in essential features, in Russia next year, we shall have a completely different solution to the problem.

"The same applies to the 'deliveries to the North'. We are now working on connecting major commercial banks, private companies and the companies in which the government holds sizable blocks of shares to this activity. The oil sector, for example, is ready to ensure the entire delivery of fuel resources to the North.

"To sum up, we are now working simultaneously along two lines. First of all we are working to secure the attainment of the 1993 level. Second, we are preparing components of new market mechanisms for the future. I believe that as early as 1995, the seasonal problems will largely be dealt with on a new basis.

"The role of the regions in major economic decision-making must enhance considerably. This is in line with our new regional policy. Incidentally, the share of regional approaches has grown considerably in the new government programme of action for 1995-1997, which we are now working out," the prime minister said.

Zyuganov Urges State Ownership

MM2109100194 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 20 Sep 94 p 3

[Article by Gennadiy Zyuganov, chairman of the Communist Party of Russia Central Executive Committee, under the "Direct Speech" rubric: "I Am a Supporter of State Ownership"]

[Text] I have been accused of many things. I said that perestroika would end with shooting, that there would be no regeneration of Russia, but its degeneration, that instead of a fraternal home we would get a fraternal tomb. They did not believe me. But look at what we have: Even in the pearl of Russia, the Kuban, there is not a single region where the population has not degenerated. The main spheres of the country's activity are being simultaneously destroyed—the state, ownership, power, culture, the ecology, information, security. Yet in analysis systems theory there is a rule whereby if in the system of these relations even two components are out of balance then a state of emergency is introduced, otherwise complete collapse and breakdown is possible.

The processes of collapse in the country are there. A tough social stratification is under way. The 10 percent of the most deprived people have incomes 23 times less than those of the top 10 percent. A factor of more than 10 is considered socially dangerous. And if the difference is more than 30 times it can be maintained only by force.

As a result of the reforms the middle class has been virtually destroyed and is rapidly becoming proletarian. Traditionally it was very substantial in our country—70-75 percent of the working population: skilled workers, doctors, journalists, servicemen, management workers. Under these conditions some extreme appeals from Anpilov and Zhirinovskiy are finding a response.

Power itself creates the conditions in which a spark which can ignite everything can occur between the

divergent extremes of society. Who needs this? Russia needs it least of all. That is why I explain to Anpilov there there will be no new edition of the October revolution in a thermonuclear country. It will be a catastrophe, there are peaceful means of resolving matters, including revolutionary processes. And I explain to Zhirinovskiy that there is no use jumping somewhere to the south. We have already jumped far enough. We have more than enough problems of our own. They must be resolved by civilized means. Through participation in elections above all.

Our party has called for early presidential elections. We believe that the continuation of the present course, which is headed by the president, dooms the country and its citizens to new suffering and harsh ordeals.

Many people do not see or understand the tragedy. Yet it is visible. A triangle of power has now been established that is exactly the same as it was in Russia in 1916. At the time the tsar was approached by the leaders of six factions of the State Duma (the bolshevik faction, incidentally, was not among them). They asked: Sire, the country is collapsing, your camarilla is not coping, we must form a government of people's trust and put it under the Duma's control. The tsar promised to do this. But the next morning he replied: no. A day later Grigori Rasputin was killed and then things snowballed, from the February revolution to the October 1917 revolution and the civil war in which 15 million people died.

Now this triangle has been precisely recreated in Russia—the tsar-president who does not even obey God, the government, which is not under the control of parliament, and parliament, which cannot control the execution of laws under the conditions of the nonoperational Constitutional Court. This state structure will collapse without fail and no one will remain unscathed under its fragments.

Gaydar and those like him have already destroyed everything they can. They promised private farming and ruined 20,000 private farmers. They promised new technologies and they halted enterprises with the most unique technologies. They promised the peasants a paradisiacal life and stopped all agricultural machine building. They promised entrepreneurs normal taxes and they are smothering small business at the root yet open the doors to foreign banks which will swallow up all our "Menateps" and "Mosts" [names of Russian banks] in two weeks. Finally, they promised effective conversion—and they drove their compatriots from all sales markets. Previously we sold weapons worth \$20 billion last year we sold just \$2 billions worth. Yet even \$10 billion would be enough for the military-industrial complex for effective conversion. This collapse can be stopped only by an alliance of state-patriotic forces. We are engaged in creating it. It will be joined by the Communist Party, the Agrarian Party, the Union of Commodity producers, and the associations of commodity producers of nationally oriented capital and by women's and veterans' organizations.

The country needs a government of national trust. We are ready to offer it and form it. The opposition has worthy candidates. Svetlana Goryacheva, Viktor Ilyukhin, Mikhail Lapshin, Sergey Glazyev, Petr Romanov, and others. The experience of the Chinese two-level market economy and of Chinese reforms in general and of the corporate Japanese economy proves how important it is to consider features of the people's national psychology and culture.

After all, the October Revolution was not some historical impasse or coup. It was preceded by the uprisings of Bolotnikov, Razin, and Pugachev and the Decembrists and there was 1905. The selfish system of capitalist relations was absolutely incompatible with the Russian character's communal traditions. And the people erupted in protest. Mere money is not enough for the Russian man. In many respects he is an idealist, he also needs spiritual reinforcements. He believes in the supreme ideals of justice, good, and brotherhood. But what has happened in our country is that one set of people has come and socialized everything. Others have come and destituted or to be more precise destroyed everything. And it is all through violence, unceremoniously

I am a supporter of the state, public form of ownership its priority over others stems from the nature of the national character and not from communist orthodoxy. Petr I in Russia laid the foundation to this tradition. Nikolay II's coffers received 60 percent of revenue from state-run enterprises. These proportions should accord with our basis, our traditions, and not be imposed arbitrarily, still less in a voluntarist way.

I am a supporter of clear ideas. The core of national aims will consist of the ideas of fraternity, justice, humanism, Russian spirituality, and power [dzerzhavnost]. That fully accords with socialist ideals.

Draft 1995 Budget Seeks Further Inflation Cuts

LD2009204694 Moscow ITAR-TASS in English 1611 GMT 20 Sep 94

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow September 20—The draft 1995 federal budget aims at further reduction of the inflation rates, deputy chairman of the State Duma's Committee for Budget, Taxes, Banks and Finances Aleksandr Pochinok told ITAR-TASS today. The draft will be submitted by the government to the lower parliament chamber before October 1.

The parliamentary circles have learned about the plans of sharp reduction of the budget deficit, approximately up to five per cent of the gross national product. In the opinion of Pochinok, such a financial policy will help to stop price increase.

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At the same time, the governmental financial measures are not all safe. "Some programs may not be financed," said Pochinok. In his opinion, it is necessary to slow down the increase of the dollar exchange rate and normalize the payment of taxes. So far the state has collected 24 trillion rubles as against the 94 trillion rubles planned. "Bearing this in mind, the 1994 budget will not be wholly fulfilled," said Pochinok. He does not exclude the government may have to cut some spending items of the 1994 budget.

The government-planned measures, including the cancellation of the three-percent tax, decreased tax on revenues, cancellation of some benefits and lowered excise-duties on alcoholic beverages, will also help to improve the financial situation, said Pochinok. "I think that our chamber will support these proposals," he added.

Finance Ministry Prepares Bank Privatization Bill

LD2009090694 Moscow Russian Television Network in Russian 0400 GMT 20 Sep 94

[From the "Vesti" newscast]

[Text] Russia's Finance Ministry is preparing a bill on bank privatization as a result of which shares owned by the state, which acts as coowner of every commercial bank, will be handed over to private individuals. The Russian Central Bank will play a key role in bank privatization. However, the process will be supervised by the Russian State Committee for Management of State Property and Russia's Federal Property Fund.

Finance Minister Notes Pending Tax Changes

LD2009211794 Moscow Russian Television Network in Russian 1625 GMT 20 Sep 94

[Text] Changes to the tax legislation and tax rises are expected soon. Acting Finance Minister Sergey Dubinin stated in an interview that at present only 65 percent of all potential taxes are collected. It was stated that enterprises need to conceal income in order to bribe corrupt officials and pay protection money. In addition, significant amounts of money is illegally taken abroad.

Valeriy Yampolskiy, deputy director of the Tax Police Department, told of successes in tracking down tax evasion; however, delays in the judicial process render these successes moot.

Dubinin said that in accordance with the proposed new tax laws the tax on profit would be alleviated. The VAT rate will be 20 percent with 10 percent on certain goods such as foodstuffs. There will be additional benefits to joint enterprises. Dubinin was confident that money would not be transferred abroad as ruble accounts grew more profitable.

Yampolskiy noted that there are at present over 40 different types of taxes—60 in some instances—and said

that these should be reduced to five or six easily understandable types. According to some estimates about 10 million people with considerable income from the so-called grey economy pay no tax at all.

Deputy Seeks 'Urgent Measures' for Manufacturing

LD2009204294 Moscow INTERFAX in English 1753 GMT 20 Sep 94

[Text] Head of the State Duma's Committee for Economic Policy Sergey Glazyev has described the state of the country's manufacturing sector as a combination of further depression and a rapid breakdown of industry and mounting destruction of Russia's scientific and technological potential.

In a speech at the producers' congress in the city of Cheboksary on Tuesday, he said the producers were left with a profit of 6 to 8 kopecks per ruble because of falling efficiency and an increased burden of taxation in the first half of this year. This in itself, he said, is not enough for maintaining even the usual cycle of reproduction.

Glazyev blamed the flight of capital from industry into profiteering on government deregulation of the economy, irresponsible squandering of national finances and property and runaway credit emissions. Some \$30-40 billion has been stashed away in foreign banks in the past three years, according to various counts.

Glazyev accused the government of a lack of strategy for overcoming the economic crisis. Instead of a consistent and sensible policy of economic stabilization and regeneration of the home industry, he said, the government resorts to erratic decisions failing to produce a mechanism for implementing them. This in itself leads to further uncertainty about government regulation of the economy.

Glazyev called for urgent measures to galvanize manufacturing and provide incentives for domestic producers as a way of leading the country out of the crisis. Export regulations must also be based on the interests of Russian producers while the government must ensure a proper legal groundwork for export producers.

Glazyev said that as priority measures, the government and the Central Bank must service its debt on state orders and widen the system of government purchases.

Shafranik Says Oil Output Slowing Down

LD2009195994 Moscow INTERFAX in English 1531 GMT 20 Sep 94

[Text] An increase in Russia's oil output may be expected in about two years, Russian Fuel and Energy Minister Yuriy Shafranik told a government commission meeting Tuesday.

Shafranik said the country had managed to halve the decline in its oil output in 1994 against 1992-1993. In

1992, Russia produced 395.6 million tonnes of oil with gas condensate, while in 1993 only 351.1 million tonnes.

However, non-payments are considerably aggravating the situation in the fuel and energy complex. Consumer debt to fuel and energy enterprises has reached 12 trillion rubles, Shafranik said. Non-payments have led to an investment recession, while enterprises' hard currency funds have diminished significantly as they channel hard currency to pay wages to their employees.

The government commission approved in principle a draft concept for managing the fuel and energy complex developed by the Fuel and Energy Ministry. The draft concept will be finalized and submitted for approval by the Russian government within 10 days.

Harvest Delays Threaten Grain Shortfall

MM2009110794 Moscow SELSKAYA ZHIZN in Russian 17 Sep 94 p 1

[Report by Vladimir Istomin under "According to Russian Goskomstat Summaries" rubric: "Grain Already Getting Wet From Rain"]

[Text] Harvesting has apparently gotten well and truly bogged down and overtaken by the fall. Previously the threshing of grain and pulse crops in the main grain-producing regions more often than not ended in August, but this year its peak is falling in the rainy "Indian summer." This is borne out by Russian Federation Goskomstat [State Committee for Statistics] data as of 12 September (see table).

	1994	1993	1994, + or - on 1993
Hectares mown, thousands	32,330	37,962	-5,632
as percentage of area sown	65	75	
Hectares threshed, thousands	29,430	34,263	-4,833
as percentage of area sown	59	64	
Grain threshed, thousand tonnes	56,168	73,396	-17,229
Yield, quintals per hectare	19.2	21.4	-2.2

In detail the situation is developing as follows. Agricultural enterprises in the North Caucasus Region, Belgorod, Voronezh, Kursk, Orel, Bryansk, and Volgograd Oblasts, and the Republic of Kalmykia [Khalmg Tangch] have mainly completed the threshing of grain crops, and in the last week this work has been carried out at a faster rate in Tula and Saratov Oblasts, the Republic of Mordvinia, and the Chuvash Republic [Chavash Republic].

But the harvesting of grain crops in the Nonchernozem Zone and in Kurgan, Perm, Sverdlovsk, and Chelyabinsk Oblasts, Altay Kray, and the East Siberian Region is still greatly lagging behind as against last year. The only exception here is Krasnoyarsk Kray.

SELSKAYA ZHIZN has constantly updated the reader as to specifically why shortcomings are occurring in a particular region. We will merely repeat that besides weather conditions and the shortage of harvesting equipment, the lack of fuels and lubricants has been a limiting factor in many farms. Because of their lack of resources they cannot make prepayments for fuels and lubricants and ensure the normal working of combines and motor transport. For example, in Penza Oblast farms owe 20 billion rubles [R] to oil product depots. Of the R11 billion loans allocated, R9 billion has gone on paying for fuels and lubricants.

In Lipetsk Oblast in August fuel was released against a guarantee that it would be paid for by the administration. But since 1 September this guarantee has been lacking, and oil product depots have stopped filling up fuel transporters from the countryside without prepayment. Consequently combines have sometimes been idle.

An analogous situation is occurring in many other regions.

Unless this situation changes and the question of releasing fuels and lubricants without prepayment is resolved, a considerable proportion of grain will remain standing or will spill from the ears onto the frozen ground during mowing. It is a very, very bad thing that we have started to forget specialists' warnings that every day's delay in threshing grain crops after the optimal harvesting time arrives carries the risk of a 1% harvest shortfall. This mainly refers to August! But what kind of losses threaten us in fall, when rain falls from the sky increasingly frequently?!

Incidentally, rain is now doing the crop farmer a double bad turn. First, it wets grain on threshing floors, increasing its moisture content and decomposition and thereby forcing the agronomist to ask himself why on earth he should ruin equipment in the fields and waste fuel if the grain that has already been harvested is going to rot? Because neither the state nor middlemen will take it at prices which could at least balance debit and credit. And the elevator capacities, created by the Soviet people when counting on a centralized, planned supply of grain to the population, nearly always remain surplus to requirements.

An impression of this can be gained by citing a summary from the "Roskholeboprodukt" joint-stock company. So far only 9,721,000 tonnes of grain have been received by federal and regional stocks. Let us recall that a total of over 56 million tonnes of grain have been threshed. Matters regarding creating the federal stock are worst of

all. Moreover, the dynamics of the purchases are negative here: In the past week 184,000 tonnes of grain have been received, which is 99,000 tonnes less than the previous week. The bulk of grain has been purchased for the federal stock from farms in Rostov Oblast, Krasnodar Kray, and Kalmykia—the “kind” uncle helped out. In other regions grain is virtually not being purchased.

The peasant is in no rush to hand over grain for storage either. His caution is understandable—grain storage in elevators last season cost many as much as the amount they should have earned for selling their harvest. I say should have earned, but so far it has been earned by no means everywhere.

And now to other crops. Ninety-one thousand hectares of flax or 70% of the area sown has been pulled. Work is nearing completion in the farms of Smolensk and Tver Oblasts. In many other oblasts the rate of harvesting the valuable industrial crop is somewhat faster than the previous season. But comparison here, as the vogue expression goes, is incorrect. Since that time the areas sown to “northern silk” have appreciably shrunk and a considerable proportion of them were left under snow for the winter.

Sugar beet harvesting is being carried out in Krasnodar Kray, and Central Chernozem Region farms have started this work. The yield is lower than last year. Sugar refineries have received over 700,000 tonnes of these root crops. Harvest work at sunflower plantations in the North Caucasus Region is also gaining momentum. According to local reports the yield is 18 quintals per hectare in Krasnodar Kray, 12.6 quintals in Stavropol Kray, and 9-10 quintals in Rostov Oblast. As regards potatoes, the tubers are being lifted everywhere. The yield is not high—92 quintals per hectare, which is 10% lower than last year.

Vegetable crops have been gathered in from approximately one-fifth of sown areas. In Astrakhan and Penza Oblasts, Stavropol Kray, and Dagestan vegetable harvesting is proceeding at a faster rate than last year. But in Bryansk, Vladimir, Vologda, Perm, Kemerovo, and a number of other oblasts its rate is two to three times slower. One of the reasons is the unacceptably low purchase prices being offered by procurement workers. Thus, in Moscow Oblast commercial purchasing enterprises are offering R250 per 1 kg of cabbage and root crops but are selling them at considerably higher prices. A graphic impression of the way in which middlemen have appropriated peasant labor can once again be gained from a table, in which price per kilogram is indicated.

Cabbage	750	800-1,000
Carrots	675-1,000	1,000
Beets	500-600	600
Cucumbers	2,850	2,500
Tomatoes	1,270-1,300	1,000-1,500

To be fair let us also note that in Krasnodar and Stavropol Krays and Orel Oblast the sale of vegetables is

often carried out through direct ties. This method eliminates many problems between farms and procurement workers.

Finally, a word about what we have laid in for winter for the animals that provide us with meat and milk. The work rate in the procurement of coarse and succulent feed remains low. While work at farms in the North, Northwest, and Central Regions is somewhat ahead as compared with last year, the North Caucasus, the Urals, Siberia, and the Far East are lagging behind considerably. For example, in Perm and Astrakhan Oblasts, Altay and Khabarovsk Krays, and Khakassia and Kalmykia half as much feed as in the corresponding period last year has been procured. The main reasons are the same as in the harvesting of grain crops. But chief among them is the significant reduction in feed harvesting equipment at local level.

Military, Nuclear & Space Issues

Abkhazian Mission Seen Helping Grachev
MK2009124094 Moscow KOMMERSANT-DAILY in Russian 20 Sep 94 p 3

[Report by Aleksandr Koretskiy: “Three-Way Talks Could Not Be Held”]

[Excerpts] [Passage omitted] The report distributed 19 September, that Yeltsin's meeting with Shevardnadze and Ardzinba would nearly usher in a new era in Georgian-Abkhazian relations, was premature. As was the information that the era would start under a “happy Russian star.” Realities proved to be much more complicated, and the “meeting of the G-3” did not take place. From now on, however, the Georgians and the Abkhazians will have an official “supervisor” in the person of Russian Defense Minister Pavel Grachev. But this decision could have been made even without extra consultations with the conflicting parties. All the more so because both Georgians and Abkhazians appear to owe the current peace in their homes precisely to Grachev, who interfered in a conflict situation that came about in the region last week following overly decisive actions by General Kondratyev. Among Russian observers, however, the defense minister's new functions have drawn a vague concern about the fate of the foreign policy ministry. One gets the impression that the Foreign Ministry has not lived up to the expectations of the top leadership, so from now on Caucasus matters will be turned over into the firmer hands of the military. Following his meeting with Yeltsin, Shevardnadze noted in passing that an agreement on moving an extra contingent of Russian troops to the conflict area had been reached. It cannot be ruled out that the entire Sochi “G-3 meeting” was organized with Grachev's having a hand in it. It is not yet clear, however, who hijacked it to give it a different—separatist—scenario. For Georgian-Abkhazian relations have long been a bone of contention between various groups of the Russian political elite

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(and Abkhazia's separatism was nourished precisely in Moscow). A lack of unity among them is not the least reason for the fact that there is still no peace in Georgia. [passage omitted]

Commentary by Political Department

For Russian Defense Minister Pavel Grachev, one of the key players in the settlement of the current Abkhazian crisis, last week was more than cheerless. First, an entirely amateurish and unjustified attempt to compromise the chiefs of the Federal Border Service by stating that the "Vostok-94" military exercises cannot be officially qualified as strategic because they had not been okayed by the country's top leadership, while the Defense Ministry had nothing to do with them. But it turned out that the border troops had managed to get Yeltsin's go-ahead and that army servicemen were involved in the exercises. Moreover, Grachev did not even know that a group of General Staff officers arrived from Moscow to attend the exercises.

The embarrassment caused by the statement on border troops was compounded by the failure of Deputy Defense Minister Georgiy Kondratyev's Abkhazian mission. Meanwhile, it was clear from the outset what the actions by Gen. Kondratyev, known for his straightforwardness and belligerence, might lead to given the situation. Things went so far that Grachev, who urgently flew to Abkhazia, had to send Kondratyev home and expose himself to the fire, for otherwise the resumption of war was nearly imminent. This turn of events, however, played into the minister's hands. If the Sochi talks end successfully, it is Grachev who will gain the savior's laurels, something that could help him at least partly rehabilitate himself after so considerable blunders.

Development of Internal Troops Viewed

MM2009140994 Moscow KRASNAYA ZVEZDA in Russian 17 Sep 94 p 2

[Report by Major Vasily Panchenkov of the Internal Troops Press Service: "Protecting Public Order According to the Law"]

[Text] On 24 September it will be two years since the Russian Federation Law "On the Russian Federation Ministry of Internal Affairs Internal Troops" was adopted.

This is surely the first time that the main and sole purpose of the Russian MVD [Ministry of Internal Affairs] Internal Troops—to protect the interests of the individual, society, and the state and citizens' constitutional rights and freedoms against criminal and other unlawful encroachments—have been defined in law.

The joint protection of public order in conjunction with the internal affairs organs has been the priority area of troops' official combat activity in recent years. Special motorized internal troop units have now been stationed in 80 republic, kray, and oblast centers and major

industrial cities across the country. Over 7,000 servicemen are on patrol on the streets each day. This year they have detained 4,105 people for crimes and 402,060 people for administrative violations.

The operational military units, using the protection of the law, are working actively to ensure public security and the state of emergency regulations on part of the territory of North Ossetia and Ingushetia. As of today they have detained around 800 people, 22 of them for crimes, and have confiscated 187 firearms, including 120 combat weapons, around 7,000 rounds, 315 explosive devices, 30 kg of explosive, and two artillery systems. Military details have come under fire on more than 30 occasions and on 28 occasions servicemen have opened fire in response using firearms.

This is the first time in the history of the country's legislation pertaining to military questions that servicemen have been given state guarantees of legal and social protection.

The adoption of the law marked the beginning of the process of the in-depth, gradual reform of the troops. Within the framework of the State Program for their development through the year 2000 great attention is being paid to enhancing the role of the internal troops in the fight against crime, including organized crime. Special-purpose and operational subunits and units are being provided with new equipment and weapons and air transport is being used to increase their mobility and their readiness for immediate actions in any part of Russia where a threat to internal security occurs.

Inspection Shows Army Mood 'Explosive'

MK2009113594 Moscow NEZAVISIMAYA GAZETA in Russian 20 Sep 94 p 1

[Report by Vadim Yegorov in the "Details" column: "Elite Units Will Spend Winter in the Open Air. On Pavel Grachev's Tour of Moscow Military District Garrisons"]

[Text] Although owing to events in Abkhazia, Russian Defense Minister Pavel Grachev has cut short his working tour of garrisons in the Moscow Military District, its first results can be summed up even now. Army General Pavel Grachev's visits to the dispositions of troops withdrawn from Germany and the Baltics have manifested a gloomy picture. It was especially graphic in Yeln and Boguchary, where the 144th Motorized Rifle Division and the 10th Tanks Division will be based. The main problem today is the absence of prepared military infrastructure facilities and lack of adequate housing for families of officers and NCO's.

As a result, combat equipment, including advanced electronics-rich T-80U tanks and other modern weapon systems, has to stay in the open air. And therefore, quality routine maintenance and winterization of materiel are complicated. Because of a shortage of funds the requisite depots and hangars will be not built until next

year at the very best. The overall volume of upcoming construction work is enormous and for the most part has to be started from scratch. The administrative zone is to be built up, and combat equipment parks, and ammunition, fuel, and lubricant depots created. So far at the sites of these capital structures, small stakes have been driven into the ground to mark the location of future installations.

There is a substantial shortage of manpower in the divisions inspected. On arriving at the new disposition, the majority of contract servicemen quit and are transferred to the reserves, not wishing to "persevere through all the hardships and privations of military service."

Pavel Grachev issued a directive that requisition orders by the General Staff's Main Organization and Mobilization Directorate for the oblast military draft offices in the upcoming call-up campaign should provide for a full manning of 144 motorized rifle and 10 tank divisions with enlisted men.

Another sore spot is housing for officers and NCO's. The situation here is more hopeful because construction of cantonments is handled by foreign firms. The pace of construction, however, is such that the servicemen of said divisions will have to spend this winter in tents, or rent from local residents at wild prices. During meetings with officers the defense minister tried to assure them that the course of housing construction is being constantly overseen and that he will not put up with any further delays. These promises could go some way to encourage the warriors who are to go through a stiff Russian winter after the mild climate of the Baltics and Western Europe.

Gen. Grachev's attendant objective was also to study the mood of personnel in units that were incorporated into the Moscow Military District. Apparently the minister has heard hardly anything heartening. People are embittered to the utmost by everyday difficulties after their previous relatively comfortable existence. Their sharply diminished social status and chronic lack of money (two-to three-month salary arrears) are not conducive to good service. Many still cannot forget all the circumstances of their overhasty pullout, and feel humiliated. Revanchist sentiments are strong, and a number of officers are ready to return in tanks (to the Baltic states) to protect the interests of their compatriots. Lieutenant General Aleksandr Lebed enjoys universal respect. As for Russian political and military leaders, officers mainly use unprintable language when referring to them. Incidentally, the defense minister categorically forbade division commanders to allow any contacts between their subordinates and representatives of the parliamentary or non-parliamentary opposition. The temperature of discontent is too high to accept such a risk.

It is hard to tell whether the Kremlin understands the explosiveness of the situation in the Army. Judging by the volume of funds planned for the Armed Forces in 1995, it hardly does.

Chernomyrdin To Visit Urals Defense Plants

LD2009151094 Moscow ITAR-TASS in English 1443 GMT 20 Sep 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow September 20 TASS—Russian Prime Minister Viktor Chernomyrdin will visit the cities of Nizhniy Tagil and Yekaterinburg in the Sverdlovsk region on Thursday and Friday, according to the Russian government press service.

During his visit, the prime minister will look into the fulfillment of the state defence order by local enterprises and familiarise himself with their conversion to civilian production. He is also due to discuss ways of settling the non-payment problem affecting most Russian industrial enterprises.

The prime minister is scheduled to visit the industrial mammoth plant Uralmashzavod, the railway truck building factory and other major industrial enterprises.

He will confer with the local administration leaders and the managers of major industrial enterprises.

Volskiy Laments Neglect of Defense Industry

MM2009140194 Moscow KRASNAYA ZVEZDA in Russian 17 Sep 94 pp 3-4

[Interview with A.I. Volskiy, president of the Russian Union of Industrialists and Entrepreneurs, by Valentin Rudenko; date, place not given: "Arkadiy Volskiy: Unless We Restore Economic Union, We Will Not Reach the 1990-1991 Level of Production This Century"]

[Text] Arkadiy Ivanovich Volskiy was born in 1932 in Dobrush, Gomel Oblast. He graduated from the Moscow Steel Institute and worked as foreman, senior foreman, section chief, workshop chief, and party committee secretary at Moscow's I.A. Likhachev Automobile Plant. From 1969 through 1988 he held prominent state and party posts. In 1988 he was appointed chairman of the Committee for the Special Administration of Nagorno-Karabakh Autonomous Oblast. From 1990 he was president of the USSR Science and Industry Union, which was renamed the Russian Union of Industrialists and Entrepreneurs [RUIE] in January 1992.

[Rudenko] Arkadiy Ivanovich, your union includes thousands of major enterprises, design bureaus, and research institutes. How do you assess the current state of Russian industry and the course of economic reforms? Why are they not having the anticipated effect?

[Volskiy] The RUIE does indeed include most sectoral unions and major enterprises. They account for 64 percent of all the country's industrial output. And we are of course entitled and willing to exert considerably more influence on the government's policy and on the economic reforms that it is implementing.

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As for the reasons for the low effectiveness of the reforms, I would like to draw your attention to two aspects here. The first being the untimely liberalization of prices in Russia. Think about it. President Gorbachev issued a resignation statement 25 December 1991 (we consider this to be the day that saw the demise of the Soviet Union) and a week later 2 January 1992 Gaidar announced the liberalization of prices. I spent the whole of that week rushing around every conceivable and inconceivable office asking them not to do this. We did not have customs houses, borders, hard-currency relations, or the corresponding laws. We had nothing. All that should have been put in order first and then they should have announced that prices were being liberalized and economic reform launched. The upshot was that no one heeded me and all the initial, maybe even good, intentions of carrying out reforms in a separate republic were effectively reduced to naught.

We are wrong to say that production has dropped by more than 50 percent and to blame reforms for everything. The severing of economic ties accounts for at least half the blame. We put up barriers between ourselves, we stopped supplying one another with output, and began to introduce a system that blocks relations. It was not the Soviet Union that collapsed in Russia but, effectively, Russia, which had been built up over centuries together. And unless we restore the Union, primarily the economic union, we will not reach the 1990-1991 level of production this century. I can say that absolutely responsibly.

[Rudenko] Are you sure that politicians and legislators as well as industrialists think that today? Including in the near abroad?

[Volskiy] I am. When asked by a KOMSOMOLSKAYA PRAVDA correspondent how he views the period of Ukrainian independence Ukrainian President Leonid Kuchma, who was recently my counterpart (up until the election he was president of the Ukrainian Union of Industrialists), replied that he sees it as total dependence on Russia and interdependence on one another.

Russia is just as dependent on Ukraine as it is on us. Whatever Ukraine loses, Russia loses too equally. No less.

I recently visited the "Elektrosila" Association. Director Boris Ivanovich Fomin told me: I do not understand at all, I supplied Ukraine with two generators, but the Central Bank of Russia is prohibiting me from receiving money from there because Ukraine owes us money for gas. And therefore Gazprom rather than the plant should receive the money for the generators. Naturally, we did not dispatch our output. The upshot being that Ukraine is left without generators and "Elektrosila" without money.

The Likhachev plant is standing idle today; 648,000 workers have not worked since February at the main enterprise in Moscow alone. They used to produce

212,000 automobiles a year. This year, God willing, 45,000 may come off the production line. Previously Ukraine bought 26,000 automobiles, this year the figure is only 1,000. We have failed to supply them with 25,000 vehicles because they cannot pay for gas, etc.

We have thoroughly muddled our relations and we ourselves are suffering the effects. ZIL has already incurred losses of 260 billion rubles [R] and by the end of the year the figure will be R400 billion. I am being totally accurate with you on this. It would be cheaper to supply Ukraine with vehicles free of charge than to live with this nonsensical situation. Today 30,000 people have left ZIL. Who will bring them back and when? We had a postwar plan to restore the ravages of war, it is time we drew up a plan to eliminate the consequences of perestroika and economic reform.

[Rudenko] We gambled on owners. We thought that owners would emerge as the result of privatization and restore order.

[Volskiy] As for privatization, we have suffered irrevocable losses here, as they say in the Army. I think that privatization for free constitutes out-and-out "neocommunism." In 1917 alone we tried to share out private property among everyone equally and now we are doing the same with state property. But now as then the people have not received it. I did not take up my voucher on principle. I waited for a correspondent to ask me where I had invested it. Regrettably no one did so. Now it is too late.

The creation of a market infrastructure is obviously something that we overlooked. We tried with might and main not to amble into the market, but rush in instead. The battery of senior scientific personnel who recently dominated the government gave rise to the romantic notion that you can move on from socialism to capitalism in two years. We can see today what came of that.

But I do not think that we should despair. I personally am glad that the president and the prime minister have finally begun to speak our language and have admitted that state regulation is necessary for the transition to the market.

[Rudenko] Our industry, particularly the defense industry, was, you will agree, a tough cookie. Its collapse has long been predicted, but that is still not happening. It has not been broken by either wholesale conversion or the dramatic reduction in the defense order. As far as I am aware, there are plenty of defense enterprises within the RUIE structure.

[Volskiy] That is true. It is no coincidence that for the last four years our democratic press has been bracketing my name with the prefix of military-industrial complex spokesman. I have never objected to our representing the military-industrial complex. What is more I am proud of it. Our entire country was proud and will be proud for a long time to come of its defense industry. However, it is

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a defense industry in name. We previously ranked the entire aviation, shipbuilding, and electronics industries as part of the defense complex. Although as you know they manufactured as much and in some cases even more civilian output than military output.

Some publications claim to this day that military-industrial complex enterprises account for 60-70 percent of our enterprises. That is subterfuge, an attempt to set public opinion against the military-industrial complex itself. Regrettably, the West avails itself of these distorted figures. I was recently in the United States and people there said to me: It turns out that over half our industry is military-based. And they refer to our press. The World Bank, the European Bank, and IMF do the same. They have even gone so far as to say that it is not the United States that should be compensating us but we who should be compensating the United States for the expenditure that the latter was allegedly forced to incur in connection with the development of Russia's military industry. That is utterly absurd, nonsense. The ratio between our military budget and that of the United States was never 2:1. I have gotten sick of saying that, but it must be said.

[Rudenko] Today on television and in the newspapers crude astrologers and psychics predict literally everything for us. But none of them ventures to predict the future of the Russian economy although you would have thought that there are enough objective factors to produce a fairly realistic forecast. The forecasts made by leaders of defense firms—and not only defense firms—are regrettably gloomy. Have we really reached the point where it is already too late to take any steps? And everything will have to be started from scratch.

I want to say that there is some optimism inspired by the fact that the "romantics" have left the government—partly voluntarily and partly through coercion—while pragmatists, realists, and people with a practical streak have entered it. But it is too early as yet to talk of stabilization. Unlike the astrologers I will not predict when the upsurge will begin. God willing, it has proved possible to halt the slump. Moreover there is nowhere left to go downward. But if we do indeed want to stabilize the situation, we must restore the severed economic and production-sharing ties as soon as possible. We have no disagreements with our industrialist colleagues from the near abroad. We are not dividing up the Black Sea Fleet, we are not elucidating whose president is more important, but we are seeking ways of surmounting the barriers that we ourselves have built.

Cross-border payments are not taking place for instance, we are not able to change coupons via rubles for "zaychiki" [the Belarusian unit of currency], so plants agree—you pay for me in Russia so that the government does not know and I will pay for you in Ukraine and we will make deliveries free of charge (those combines, say, whose engines are made in Ukraine, while rubber goods are supplied by Belorussia [Belarus], and the final assembly work is carried out at "Rostselmash" in our

country). In so doing it is sometimes necessary to deliberately deceive our governments.

We have now set up a clearing bank and contract and consultative-information agencies. We have signed agreements with 15 unions of industrialists in the CIS countries. The former CEMA countries have also turned to us now because they are in exactly the same boat. We have set up an International Union of Industrialists involving 22 states.

You ask me: What about the government? I think that there is no need to overly fetishize its role although it does of course have an extremely large role to play. In the West industrialists operate directly and we are trying to do the same.

[Rudenko] You lobby the industry's interests in the government and legislative organs of power. Are you satisfied with what has been achieved? In your view, how effective are the president's economic edicts and the government decrees that have been adopted of late?

[Volskiy] In most cases these edicts are essential. A number of them have begun to operate effectively. Particularly those providing authorization and imposing bans. Had the legislative system—the State Duma and the Federation Council—been left to resolve pressing problems, they would have been discussing them until the end of the year.

The effectiveness of the president's edicts would be greatly enhanced were we to establish tough management discipline in the country. There is to all intents and purposes no authority in the state. The word government does after all come from the word to govern. Therefore it is necessary to govern and not just make declarations of intent.

In Siberia we are building the world's largest hydroelectric power station at Boguchany. Tremendous funds have been invested in it. The station is highly essential. The president wrote instructions, the government adopted a decision, and the Finance Ministry received the appropriate directives to transfer money within three days, but three months have passed and there is still no money. And I can cite hundreds of examples like that. Is that really not anarchy?

[Rudenko] You are also one of the founders of the "Russkoye oruzhiye" Special Corporation. This corporation's tasks include forming powerful financial-industrial groups [FIG's] based on leading defense firms and vigorously promoting Russian defense output on the world market. Do you share the view that the FIG's should constitute a strategic avenue for the restructuring of Russia's economy?

[Volskiy] You have broached an extremely important question. Following the rash elimination of ministries and the abolition of the management system to which we had gotten accustomed and in which we had worked for 72 years, plant directors felt isolated. They are all

without exception now feeling an acute need to join forces. And in this context the formation of FIG's is not just a highly important issue, it is an extreme necessity. The world has already experienced the unification of banking, financial, and industrial capital. We do not have to re-invent the bicycle here.

In my view, the creation of transnational corporations should be the second strategic avenue. Let us be honest and admit that we have virtually abandoned the "defense industry personnel" in the CIS republics. FIG's and transnational corporations will make it possible to some extent to reduce the negative impact of the breakup of the USSR.

As for the "Russkoye oruzhiye" Special Corporation, I am very glad that it has been formed. They have now set up an FIG based on the Kurgan plant, the MENATEP Bank, and a Belorussian [Belarusian] plant. That is this is both an FIG and a transnational company simultaneously. Our RUIE is working in very close contact with the special corporation.

[Rudenko] Many people are now counting on nonbudgetary funds. But it has not as yet proved possible to enlist them in the "defense industry" en masse. Foreign investors are in no hurry to get into our country. The RUIE has had some success in this field. I would like you to share your experience with us.

[Volskiy] To be frank I do not believe in extrabudgetary funds. The country's defense cannot be financed with extrabudgetary funds. That is stupid. Budgetary funds for the support of the Russian Army and the defense industry must be formed. And our RUIE, along with the "Russkoye oruzhiye" Special Corporation, a corporation of Russian banks, and other interested structures could get together R2-3 trillion for this within a short period. And channel that money into defense enterprises via the Defense Ministry. Because it is wrong to just give plants money without an Army order. You can provide plants with that kind of support to ensure that they do not perish but money must be provided via the budget, via the Army for development work.

As for foreign investments, here too there are a host of untapped reserves. Although the RUIE has also achieved definite success in this. For instance, we have now organized two good projects in the field of space. I am referring to the "Double Eagle" project (referring to the U.S. and Russian components), in which elements of U.S. SDI and our asymmetric decision [assimetrichny resheniye] will be used. This project is estimated at roughly \$10 billion. Its implementation will make it possible not only to create an orbital complex to orbit the Moon and seek minerals, but also preserve nine design bureaus and plants. The second important project is the space platform for flights to the Mir station.

We have already managed to a considerable extent to implement a number of projects. I feel a childish delight that the first Italian Galdoni tractors have already gone

on sale at the Samara plant, Korea's Daewoo and St. Petersburg's "Pozitron" Plant have begun producing videorecorders, and the "Almaz" plant is building yachts with the Finns. And how!

On the whole we have tremendous potential here. I am at the same time still chairman of the Russian-U.S. Trade and Economic Council and the Russian-Japanese Trade and Economic Council. Through these councils alone we have received around \$200 million. Is that a lot or a little? I do not want to say that the West is bailing us out. But what a spurt we can make in crucial sectors with their aid.

Our legislation regrettably provides no incentives for foreign investors. And this causes us to stand out in a negative way from Uzbekistan and Kazakhstan, for instance, which are attracting investors in droves. They proved wiser than us in adopting a law insuring foreign investments against political risks and guaranteeing foreign companies' right to export their profits. The upshot being that 19 companies have left Russia and gone there. Look, despite the fact that the Americans are constantly banging on about human rights violations in China, that country receives seven times as much U.S. investment as we do. My counterpart, the president of the U.S. Association of Industrialists, said that officially they have been advised to go to China and then to Russia. This is the first time that I have mentioned this. You know that it is very serious.

[Rudenko] It is a great calamity to lose production capacities and new technologies and destroy cooperation ties. Yet there are real people behind all this. Experience has shown that they have the patience of saints. But that patience may come to an end when they see the work of generations will be destroyed. If it has not already come to an end. After all, we are today seeing things that the "defense industry" has never before experienced—strikes, picketing of government buildings, refusal to fulfill the defense order, etc.

[Volskiy] Social tension within the defense complex, primarily in the so-called plant cities, is indeed very high. Here is a photograph of a plant in Siberia. I laid this plant's foundation stone. The city grew with the plant. The nearest work is 320 km away. Now this plant is standing idle. It is paralyzed. And what is the city to do? It too has become dead. That is the most terrible thing that can happen. The situation there is more than critical. Yet the cream of the working class, the scientific elite, and crack engineers were assembled there. It is virtually impossible to convert most of these plants. It is cheaper to demolish them and build a new plant to preserve the city, in each of which around 150,000-200,000 people live. And if we do not show at least some respect for these people right now rather than waiting for tomorrow, there will be a major social explosion here. We must take a sober look at things. When I visited enterprises in 11 Russian oblasts this year I saw for myself that many of them are buoyed up by people's

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enthusiasm and patriotism. It is largely thanks to patriotism that our industry and the "defense industry" are primarily retaining their intellectual might.

[Rudenko] Stability in the defense complex is directly linked to stability in the Armed Forces. How is the RUIE developing its relations with the Defense Ministry?

[Volskiy] We have very good relations. We recently completed an interesting project to retrain 10,000 Russian Army officers in civilian specialties.

We are working in very close contact with First Deputy Defense Minister Andrey Afanasyevich Kokoshin. It is just impossible to separate what he is doing and what we are doing. If a request comes in from the Defense Ministry we try to respond to it immediately. And they respond to our requests in turn. By joint efforts I hope that we will prevent Russia's defense complex from breaking up and preserve its tremendous scientific and industrial potential. The orgy under way in our country will come to an end sooner or later and we will start construction rather than destruction. I am sure of that.

Heavy Industries Subscribe to Stabilization Plan

MM2009145594 Moscow *RABOCHAYA TRIBUNA* in Russian 20 Sep 94 p 1

[Unattributed report: "They Found a Common Language"]

[Text] The Russian Federation Government has issued a decree "On Joint Actions by Basic Sectors To Stabilize Prices and Tariffs and To Improve Transactions Between Enterprises for Output Delivered and Services Rendered."

In particular, it approves an initiative by the Ministry of Railways, the Ministry of Fuel and Energy, the Metallurgy Committee, the "Rosugol" State Enterprise, and the "Yedinaya Energeticheskaya Sistema Rossii" Joint-Stock Company, which have signed the General Agreement on Joint Actions To Stabilize Prices and Tariffs. This agreement also provides for reciprocal transactions relating to payments and for the rejection of sanctions. Enterprises in the sectors which have signed the agreement will receive a deferment of the payment of taxes into the federal budget when they conduct reciprocal transactions.

In addition to this, it is planned to equalize electricity tariffs in different parts of the country. At the same time additional targeted funds will be formed to give targeted support to indigent sections of the population.

Officers Union Collaborates With Communist Party

MM2109101994 Moscow *PRAVDA* in Russian 20 Sep 94 p 1

[Report by Andrey Zhukov: "'Officers Union' Rallying Ranks"]

[Text] A meeting of the leaders of regional "Officers Union" organizations has been held in Moscow under the leadership of Lieutenant Colonel Stanislav Terekhov. The situation in the country was described as exceptionally complex. S. Terekhov warned that the "regime could embark on new bloodshed." There is a dual situation in the Army. There are some genuinely patriotic officers. But there are also some parasites in uniform who are making a living from selling off diverse Army property. Regrettably, most of the officer corps still look like leeches living on the "I'm all right, Jack" principle.

The "Officers Union," according to Colonel General V. Achalov, has the potential to enlarge and strengthen its ranks. "We need to work purposefully with officers in military units and combined units, at military academy faculties, and so forth."

The representatives of regional "Officers Union" organizations (there are already more than 40 of them) who spoke proposed campaigning for early presidential elections and acting jointly with other opposition forces—above all, the Russian Federation Communist Party.

The "Officers Union" intends to actively participate in peaceful meetings, processions, and picketing from 21 September through 5 October 1994 together with other opposition forces in connection with the anniversary of the tragic events of October 1993.

Minister on Nuclear Safety Convention

LD2009193194 Moscow *ITAR-TASS* in English 1851 GMT 20 Sep 94

[By ITAR-TASS correspondent Andrey Chupakhin]

[Text] Vienna September 20 TASS—Over 30 states' leaders of nuclear power engineering and technologies voiced today their joining of the nuclear safety convention. The document on all international aspects of peaceful uses of nuclear reactors was signed today by representatives of the United States, France, Germany, Sweden, Canada, Japan, South Korea, South Africa, and Russia.

The document elaborated within three years was approved in June 1994 by a diplomatic conference of the International Atomic Energy Agency (IAEA) to outline common principles of safe, regulated and ecologically-rational use of nuclear energy. These principles include the choice of a nuclear power plant's location, development of a plant design and construction, further operation, readiness for emergencies, and financing. The states undertook to regularly report on their fulfillment of the convention within the IAEA framework.

The document is very important for Russian nuclear power engineering, Russian Nuclear Energy Minister Viktor Mikhailov told ITAR-TASS. Many rumors about Russian nuclear power plants were caused by the Russian insufficient openness in this sphere, and now Russia

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offers free inspection of any of its nuclear power plants by international commissions and welcomes recommendations, said the minister.

According to information of the World Association of Nuclear Operators (WANO), Russian nuclear power plants are estimated over the average level. Russia has modern nuclear technologies which exceed Western analogues by five-ten years. Thus, statements claiming insufficient safety of Russian reactors prove the increasing competition on the international market.

As for the illegal imports and sales of nuclear materials, the Russian minister favors international control but says one cannot accuse a state without weighty evidence. None of the revealed nuclear contraband has been proved as related to Russia. One has to find out who the buyer and the seller are, said the minister.

Cosmos Launch Delayed by Strong Winds

LD2109102494 Moscow ITAR-TASS World Service in Russian 0955 GMT 21 Sep 94

[By ITAR-TASS correspondent Veronika Romanenkova]

[Text] Moscow, 21 Sep—The launch of a satellite of the Cosmos series, which was to be carried out today from Plesetsk cosmodrome in the interests of the Russian Federation Defense Ministry, has been postponed to Thursday 22 September. The ITAR-TASS correspondent has been told at the press center of the Space Military Forces that the launch was put off due to strong winds of over 20 meters per second. The satellite is now to be launched tomorrow, on the back-up day, at about 1700 Moscow time.

Experts Visit Space Center To Discuss Relocation

LD2109095694 Moscow ITAR-TASS in English 0907 GMT 21 Sep 94

[By ITAR-TASS correspondent Veronika Romanenkova]

[Text] Moscow September 21 TASS—A group of military experts and engineers led by the commander of the Russian military space forces, Colonel-General Vladimir Ivanov, arrived at the Plesetsk cosmodrome, from which a satellite of the "Cosmos" series is expected to be launched into space at approximately 17:00 P.M. Moscow time today.

However, the main purpose of their visit to the cosmodrome is to discuss the transfer a number of facilities belonging to missile troops to the cosmodrome.

The military space programme carried out by Russian military space forces will now be moved from the Baykonur to the Plesetsk cosmodrome because the Russian Defence Ministry is reluctant to launch its space apparatuses, being dependent on politics pursued by any foreign state, including Kazakhstan. Until now, only booster rockets of the "Soyuz", "Molniya", "Tsiklon"

and "Cosmos" series had been launched from the Plesetsk cosmodrome. At present, new launching sites for "Zenit" booster rockets are being built in Plesetsk expected to be the launching site for another booster rocket "Rus" which is currently being developed.

The construction of a new cosmodrome has begun in the Far East as well. Chairman of the upper house of the Russian parliament, Vladimir Shumeiko, promised the head of the Amur region, Vladimir Polevanov, and chief of the main centre for tests and use of space apparatuses, Aleksandr Vinidiktov to comprehensive assistance in the implementation of the project.

Russia should have a guaranteed free access to space once it remains a space power, which will be impossible unless a new space harbour is created.

Regional Affairs

Chechen Situation 'Remains Unpredictable'

LD1909092094 Moscow ITAR-TASS in English 0847 GMT 19 Sep 94

[By ITAR-TASS correspondent Sharip Asuyev]

[Text] Grozny September 19 TASS—The situation in Chechnya remains unpredictable after both government forces and opposition suffered losses in Saturday clashes. The exact number of casualties has not been officially announced so far.

It is known, however, that the cousin of former Russian Parliament Speaker Ruslan Khasbulatov was killed.

The official Grozny, most evidently, is getting ready for decisive actions. It is believed that President Dzhokhar Dudayev will decide this afternoon whether to sign or not the decree imposing martial law in the republic.

The Grozny television went on air again after its center was exploded on Wednesday. According to the communications department, the broadcasts cover 80 per cent of the republican territory and experts say they will fully resume transmissions in a month.

In the meantime, the TV center of Khasbulatov in the settlement of Tolstoy-Yurt went off the air after Saturday clashes.

Khasbulatov himself is staying in the settlement and attends a three-day mourning ceremony in memory of the killed.

Interior Minister: Situation 'Completely Stable'

LD1709160894 Moscow INTERFAX in English 1508 GMT 17 Sep 94

[Text] The situation in Chechnya is stable and is completely controlled by Grozny, Chechen Interior Minister Ayub Satuyev told Interfax. He said information on numerous victims and fighting today near the populated

centers where the opposition is located was "rough insinuation" absolutely not true to life.

Satuyev said that the Interior Ministry had carried out an operation aimed at lifting the blockade of the highways going through the Ter mountains today. He said there had not been a single shot towards the populated centers.

As a result of the operation the Interior Ministry troops seized two armored vehicles, a tank, two GAZ-66 cars of the opposition and arrested seven people. Satuyev said that all the arrested were Russian mercenaries from the Krasnodar Region.

Groznyy said that about 300 Russian mercenaries were fighting for the opposition.

Satuyev said that three law enforcement officers and an opposition militant had been killed during the operation.

Commenting on information on fighting in the Nadterechny Region near the Keni-Yurt populated center, Satuyev confirmed that there had been fighting there. He said these were armed clashes between supporters of Ruslan Khasbulatov and the local population.

Further on Fighting in Nadterechny Region

LD1709161494 Moscow INTERFAX in English 1508 GMT 17 Sep 94

[Text] "Groznyy's armed formations have entered the territory of the Nadterechny district," the head of the opposition Interim Council, Umar Avturkhanov, told Interfax. He said government troops had brought two tanks and three APCs to the village Keni-Yurt (located 20 kilometers away from the village Znamenskoye - IF note) which are intensively shelling the village.

The opposition headquarters confirmed Groznyy's report that the village Tolstoy-Yurt where the headquarters of Russian ex-Speaker Ruslan Khasbulatov were had been seized by Dudayev's troops.

In the meantime, the Chechen Main Military Headquarters reported armed clashes between supporters of Avturkhanov and those of Khasbulatov in Keni-Yurt.

The Chechen Security Council is now holding a meeting in Groznyy where Chechen President Dzhokhar Dudayev is expected to make a report on the situation in the republic.

Kuwait Denies Report of Plane Sales to Groznyy

LD1909115194 Moscow ITAR-TASS World Service in Russian 1023 GMT 19 Sep 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow, 19 Sep (ITAR-TASS)—Claims by the SEGODNYA newspaper in an article published on 16 September entitled "General Dudayev's regime is seeking allies in the Islamic world" that a promise had

been made that General Dudayev would be allocated three to six MiG-29 planes from a batch of war equipment which Russia would sell to Kuwait has no bearing on reality. This is said in a statement by the Moscow Embassy of the State of Kuwait which was handed to ITAR-TASS today.

The agreement to purchase weapons, which Kuwait and the Government of the Russian Federation signed, the embassy points out, does not provide for the acquisition of any aircraft whatsoever.

The embassy regrets the reference to Kuwait in this connection and stresses its country's desire to strengthen and develop bilateral relations with the Russian Federation. Kuwait does not have anything at all to do with the situation in Chechnya, the statement says.

Khasbulatov Seeks Dudayev's Ouster Peacefully

LD1609174994 Moscow INTERFAX in English 1602 GMT 16 Sep 94

[Text] The peace mission headed by former Russian parliament chairman Ruslan Khasbulatov in the village of Tolstoy-Yurt is laying the groundwork for a second Congress of Chechen People's. Khasbulatov told Interfax that the congress would discuss ways to resolve the Chechen political crisis.

Khasbulatov's aides are studying three possible alternatives for developments in the region.

(1) President Dzhokhar Dudayev resigns voluntarily. His resignation is followed by a congress which forms a Popular Assembly, a provisional parliament. Simultaneously the congress forms a new government followed by elections and a referendum on whether or not to keep the presidency in Chechnya is held. (IF Note: Khasbulatov calls for the abolition of the presidency, in favor of a parliamentary republic).

(2) If Dudayev does not resign, a national rally is held attracting in the range of 300,000 people. Then a congress is held and the events develop in line with the first option.

(3) Forcible removal of Dudayev and the holding of a congress.

Khasbulatov told Interfax that Dudayev could not hold on to power because Russia does not recognize his legitimacy.

Khasbulatov said that if Dudayev holds on to power, the entire population would be in danger, meaning it was necessary that he be convinced to leave peacefully.

Asked what happens if Dudayev did not resign, Khasbulatov said that the Provisional Council's militia, which relied on the Russian technical assistance was getting stronger all the time. He explained that in the case of large-scale hostilities Russian troops might be sent into

Chechnya. Khasbulatov said that in this case Dudayev would be defeated. He was sure that nobody desired such a bloody option.

Khasbulatov said that he was on fairly cool terms with the Provisional Council headed by Umar Avturkhanov. He did not agree with the council's desire to call in Russian troops but said that his group was trying to coordinate the opposition's activities.

An Interfax correspondent reports that 1500 passes for congress participants were printed in Tolstoy-Yurt. The text of the passes is in Chechen and Russian. It bears the stamp of the Khasbulatov peace group with the word Peace in the two languages.

Khasbulatov 'Hurriedly Left' Tolstoy-Yurt

MM1909161994 Moscow IZVESTIYA in Russian
20 Sep 94 p 2

[Report by Nikolay Gritchin: "Open Season on People in Masks in Chechnya"]

[Text] Stavropol—According to a report from Z. Choltayev, leader of the opposition Interim Council's administration, the funerals of those killed as a result of the barbaric action against inhabitants of peaceful settlements undertaken at dawn on 17 September by government armed forces continued 19 September in the villages of Tolstoy-Yurt and Goryacheistokhnenskaya.

The casualties included R. Khasbulatov's cousin Uvays Khasbulatov and another of his relatives. The exact number of dead is still unknown because new corpses are being found all the time on the hills of Terskiy ridge. The administration leader refuted the claims by functionaries of Grozny's official circles that Khasbulatov has fled from Tolstoy-Yurt. The settlement's population, according to his information, did not allow government subunits equipped with tanks, guns, and helicopters to enter Tolstoy-Yurt.

Choltayev believes that following what happened Dudayev left the opposition no other option than to physically remove the ruling regime from power. Funds are being collected to buy modern combat equipment.

At the same time Chechen Internal Affairs Minister A. Satuyev is calling the operation carried out Saturday [17 September] morning in the Tolstoy-Yurt area an integral part of a range of measures to reopen roads and bridges but not to take reprisals against the opposition, as "the Russian mass media were quick to dub it."

Nevertheless, during a telephone conversation with IZVESTIYA's correspondent, Satuyev confirmed that as a result there had been casualties killed or wounded. Some 48 of Khasbulatov's and Avturkhanov's supporters were taken prisoner, while Khasbulatov himself "hurriedly left Tolstoy-Yurt in an unknown direction," and that currently "the operational services are seeking his whereabouts." According to the minister's claim,

today all roads, bridges, and streets in Chechnya are open for traffic, and there is no need for new operations of this kind. At the same time he reported that his subordinates will continue to disarm illegal formations. But chief attention in the near future will be concentrated on fighting the "people in masks," news of whose evil deeds has reached President Dudayev, and he has instructed that they be eliminated on the spot without a trial or investigation.

"If any person appears in a mask we will open fire without warning and shoot to kill," Satuyev said resolutely.

He confirmed his intention to hand over R. Labazanov, B. Ganemirov, and "other bandits who are being sought all over Russia" to Russian justice.

A presidential edict on the introduction of martial law in the republic, which he failed to sign last Thursday [15 September], is being prepared. It cannot be ruled out that Dudayev will be forced to reconsider this question by information from Sochi which has been received by Grozny through Western news agency channels and which has not been confirmed by official sources.

"According to this information," Chechen Republic Military Commandant M. Merzhoyev says, "at the conference between Yeltsin, Chernomyrdin, and Grachev last weekend, measures were discussed to stop the activity of the ruling regime in Chechnya, which, quote, has now used armed forces against civilians on four occasions.

In Merzhoyev's opinion the report about the use of troops against civilians is a flagrant lie. Of the four clashes between the police and armed "bandit formations" in September the military participated in only one, he claims. This was on the approaches to Argun, when Shamil Basayev's tank subunit barred the way to armored vehicles transferred by Khasbulatov to help Labazanov's supporters. Not a single civilian suffered during this. The internal affairs minister also mentioned the lack of casualties among civilians through any fault of the police in all four operations.

Nevertheless Chechen Military Commandant Merzhoyev claims that he has information about the concentration of Russian military equipment on the border with the republic, which he regards as the possible beginning of the implementation of the Sochi accords.

Speaks on Chechnya From Moscow

LD2009163094 Moscow INTERFAX in English 1354
GMT 20 Sep 94

[Text] Former speaker of the Russian parliament and Chechen opposition leader Ruslan Khasbulatov said he was ready to meet with representatives of the Russian leadership in order to discuss normalization of the situation in Chechnya.

Khasbulatov said in an exclusive interview with Interfax that he had arrived in Moscow for two or three days to

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draw the attention of Russian and world public opinion to the "policy of murders pursued by Dzhokhar Dudayev." He said he wanted to convince public opinion of the need for moral, financial and material support for the opposition Provisional Council in Chechnya.

Khasbulatov said that he completely rejected his "former biased views and former sympathies and antipathies of a year ago" and had decided to dedicate himself to serving the Chechen people.

Khasbulatov stressed that he had not made any criticisms of Russian politicians while in Chechnya as leader of a peacekeeping group. Khasbulatov said that reports about him bad-mouthing the Russian leadership were being used in the waging of a fresh campaign against him.

Khasbulatov stressed that he did not maintain any ties with his former political allies in Moscow.

Khasbulatov spoke against introducing Russian troops into Chechnya. However, he added that he is for providing military and material-technical help to the Provisional Council.

Khasbulatov said that if the Russian leadership considers the Provisional Council the only legitimate body then it must think of various advisors, including military ones to help it. He said this was necessary because many Afghan veterans, experienced officers, were serving as mercenaries for Dudayev while the Provisional Council did not have experienced commanders and its equipment was not sufficient or advanced enough. He said that the "opposition has mostly outdated tanks driven by crews with little experience."

Khasbulatov said that the regime of Dudayev was still receiving "active financial support from oil-mafia structures." He added that despite the blockade of Chechnya, trains were exporting oil products from Chechnya via Russian territory at night.

Ruslan Khasbulatov will hold a press conference at his apartment (Shchuseva St., building 10, apt. 35) today in Moscow at 17:00.

Opposition Leader Avturkhanov Interviewed

LD2009190094 Moscow Ostankino Television First Channel Network in Russian 1417 GMT 20 Sep 94

[Unscheduled interview with Umar Avturkhanov, chairman of the Chechen Interim Council, by an unidentified correspondent; place and date not given; broadcast in progress—live or recorded]

[Text] [Correspondent] very dramatic events. Do you think that peaceful means for resolving the conflict that is tearing Chechnya society apart have been exhausted?

[Avturkhanov] I have been asked this question many times, by the media and foreigners who frequently visit

our republic. They ask me if all peaceful means and methods of resolving the situation in the Chechen republic have been exhausted. Yes, one can somehow say that peaceful means have been exhausted.

The peacemaking group of Ruslan Khasbulatov, who played a role at this stage in assembling rallies and processions, is showing Dudayev's regime that this regime has no social base. We were convinced of this, we were all convinced of this. However, Dudayev's regime, his stooges quickly gathered everyone they could. Dudayev's regime gathered Abkhazians, Afghans, and anyone who could put up resistance. They also gathered together a large number of mercenaries. These people are well known. We have information that each mercenary is paid 10,000 rubles, I mean, 10 million rubles for six weeks.

Rallies are impossible in Chechnya today because of all of the shooting. The fact that they are impossible is shown by the attack on Argun, that is, in the first instance, on Urus-Martan. This is the region that came out and said unambiguously: We are not subordinate to the Dudayev regime, and we are transferring to the jurisdiction of the Interim Council. Urus-Martan is still seething today, rallies are continuing there, and the people do not want the Dudayev regime. Only force by Dudayev could compel them to cooperate with the Dudayev regime and live again without pensions, without benefits, and without normal humane conditions. Force is the only means the Dudayev regime could use. He has no other methods or arguments.

We now have the right, the full right, the moral right—although we had both the force and the means—to exercise restraint on the one hand and on the other hand to inflict a blow that would cause the regime to fall.

Dudayev is prepared to undertake all kinds of provocations to keep power. One such provocation being prepared and known to the Interim Council is that a peaceful procession of Ingushis through villages in Prigorodnyy rayon is being prepared for 23-25 September from the regions from which Ingush people were forcibly driven 18 months ago. This issue must be resolved by peaceful means, by the gradual resettlement of Ingushis, but today's peaceful procession might turn into a bloody provocation. By this, they wish to distract the world community from the problems that exist in Chechnya and also to reproach Russia for having failed so far to resolve this conflict.

Can the Dudayev regime embark on other provocations? Yes, it can, any provocation. The Interim Council is aware of this. The Interim Council will warn the people of these provocations and will explain what these provocations will lead to and will not facilitate them. This will only be accomplished by enhancing the state of emergency. The state of emergency has been enhanced in Chechnya: Air routes, railways, and roads in Chechnya have been closed. That has stabilized the situation to an extent today; to be more precise, it has stopped Dudayev

in his tracks. It has prevented him from moving across to neighboring republics with his provocations.

We think it would be desirable for the state of emergency to continue. We would also like to say a few words about sovereignty, which Dudayev uses as his trump card. Today, sovereignty in Chechnya means sovereignty for the people surrounding Dudayev. These are the individuals who have no shame in plundering their own people and the individuals who have washed their hands up to the elbow in blood. The Chechens do indeed need real sovereignty today. Effectively the sovereignty Dudayev's people have is a means for them to shed their responsibility, which the people expect from them. Nobody will be able to escape responsibility. That is not how sovereignty is attained.

Today, we are not [word indistinct]. The state budget organizations have no money to pay doctors or teachers. Pensioners cannot be paid their pensions. Today factory workers do not get any wages either, though most of our factories have now shut down. Farmers are not getting paid either.

We, too, want sovereignty. We are also in favor of sovereignty—but the kind of sovereignty that fills people's stomachs and makes them happy. Dudayev has done his best to ensure that Chechens will not be talking about sovereignty for the next few decades.

He has done great damage to Chechens in the religious sphere. The people who say that Dudayev has been sent by God, that he is the man who has raised religion and given it freedom are wrong. As a matter of fact, Dudayev is against religion. The 74 years of Soviet existence did not do as much damage to religion as Dudayev has done in the last three years of his rule. Here is one example. When during an attack on Tolstoy-Yurt Dudayev's regime was told that they had been firing at holy places, they said that these were the exact target of the operation. This suggests that Dudayev and his people have neither a god nor a religion.

[Correspondent] Recently, some analysts have said that we should not expect a speedy resolution of the crisis, that the opposing forces in Chechnya cannot and do not have a decisive advantage, they cannot radically change the situation in their own favor. What do you think? Are these forecasts correct? Are these assessments correct? How will events develop in Chechnya over the next few months?

[Avturkhanov] You know, we have studied these issues and believe that the events will probably be as follows. First, you defend the regions in those areas where interim councils have been established. The people now see from the examples of Nadterechnyy and Urus-Martani rayons that normal life and activities have been established in those regions which have liberated themselves from the Dudayev regime. So these regions—Urus-Martani, Shali, Vedeno, Nozhay-Yurt—where interim councils have been formed will transfer to the

jurisdiction of the Interim Council and only the towns will remain with Dudayev. Naturally, Dudayev will oppose this. He will send in people to punish them, but we have sufficient forces to keep Dudayev out of the regions that transfer to the jurisdiction of the Interim Council. That is one road, one path.

The second road leads to the unleashing of civil war, which is not desirable. Of course we are striving to avoid this, but a direct clash has begun. We think that the Chechen people have sufficient wisdom and sense not to allow this to happen.

I believe that when the people understand.... [pauses] They already understand that the Dudayev regime has come to an end, and that there is no way back. So the support of public opinion, will play the main role in the successes that the Interim Council will have.

Today, people really are concerned and some are frightened. Some people expect the situation in Chechnya today to play into Dudayev's hands. They expect him to have some success since he has control of the mass media—although people in Chechnya do not read the newspapers very often.

They say that he has had some success in Urus-Martani and in Argun. As you know, he has just said that Tolstoy-Yurt is occupied. Naturally, people fear this, especially when he says that he has been successful. People do not know whether he has been successful or not. Let us look at what success he has had. He has had no success.

The moral and psychological state of the Chechen people is that of people who will fight to the end to overthrow the Dudayev regime. If the people decide to end the conflict and their moral and psychological state is as I have described, I do not think that Dudayev will stay in power. It is just a matter of time, and quite a little amount of time before this conflict is resolved.

Says Chechens Cannot Do Without Moscow

MM2109103794 Moscow PRAVDA in Russian 20 Sep 94 p 1

[Report by Viktor Kharlamov: "Chechen Report: Sparks From the Caucasian Fire"]

[Text] Grozny-Znamenskoye—Umar Avturkhanov's headquarters in the village of Znamenskoye is very reminiscent of Brother Makhno's [counterrevolutionary leader in Russian civil war] camp, and the "opposition gunmen" with their machinegun bandoliers and all kinds of weapons—both firearms and knives—are reminiscent of the anarchist sailors. On the other hand, despite the terrible discipline, vigilance was of the most revolutionary order. Scarcely had Avturkhanov's press secretary—Ruslan Martagov—brought out into the headquarters courtyard the journalists under his protection who wanted to photograph the armored personnel carriers

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there, than the entire group was arrested by machinegunners who came out of nowhere and quite coarsely took them for investigation to the head of security. Led by the press secretary, who was obviously suspected of being a Dudayev agent. After things were sorted out, the journalists were released, but they were still not allowed to take pictures on pain of having their "cameras and heads smashed."

We were unable to see Avturkhanov himself that first day. Around evening the chairman of the Interim Council was picked up by a helicopter with carefully painted-over identifying markings, which flew the opposition leader at low-level toward Russian territory.

The night we spent on the floor of the press secretary's office was not the best night of our lives. We got no sleep thanks to armed guys with beards who burst into our room with suspicious regularity and cast penetrating gazes at us. Outside our window was the headquarters store, which operated throughout the night to the delight of the Interim Council gunmen. In the morning we were woken by the shouts of women who had gathered at the entrance to the headquarters. They were demanding temporary passes to travel to the market in neighboring Mozdok. It turns out that Chechen citizens are forbidden to cross Russian military checkpoints without permission....

Another couple of hours of intensive negotiations and we finally got the "green light" to meet with Avturkhanov. First we were thoroughly searched and then warned: "No more than 20 minutes talking with the chairman."

During this improvised press conference Umar Avturkhanov presented a dignified front and answered all our questions like a wise and experienced diplomat.

[Kharlamov] Are there any mercenaries in the ranks of Interim Council gunmen?

[Avturkhanov] I would not call them that. But why not pay for good specialists?

[Kharlamov] What are the sources of the money reaching you in the republic? Dzhokhar Dudayev's government is accusing the Interim Council of being funded by Moscow....

[Avturkhanov] We are receiving money not from Moscow but from the Chechen diaspora in Moscow.

[Kharlamov] What is your attitude to the leaders of the other opposition groupings operating on Chechen territory?

[Avturkhanov] We have the closest contacts with Beslan Gantemirov. Moreover, he is an Interim Council member. We base our relations with Labazanov on the basis of the principle that "my enemy's enemy is my friend." But in order to win our support he must first and foremost submit to the demands made by the Interim Council. As regards Khasbulatov.... I think that the peacemaking mission which Ruslan Imranovich headed

has run its course. You can only talk to the Dudayev regime today from a position of strength.

[Kharlamov] And, finally, how do you view the future of the republic—with or without Russia?

[Avturkhanov] I personally believe that we Chechens will not now be able to get out of this situation without Russia and its potential. [Avturkhanov ends]

It is a stone's throw as the crow flies from Nadterechnyy Rayon to Mozdok. But it took us more than an hour to get there—using a roundabout route so as not to come across some unexpected Dudayev post. We wanted to embrace the very first Russian soldier we encountered like a long-lost brother.

When they realized who we were and where we had come from at the military airfield near Mozdok, they looked at us with respect and for some reason with a certain amount of sympathy. Having given us some dinner, they put us on the first plane flying out to Moscow. Seeing us onto the plane, the lieutenant colonel who was on duty and was accompanying us asked us with barely concealed alarm in his voice: "Do you think that Moscow will really decide to get mixed up in this Caucasian caldron?"

Opposition Seeks To Take Initiative From Dudayev

LD2009163494 Moscow INTERFAX in English 1354 GMT 20 Sep 94

[Text] The Chechen opposition is determined to take the strategic initiative from the regime of Dzhokhar Dudayev, a spokesman for the Provisional Council, in the Nadterechnyy Region, Ruslan Martagov told Interfax today.

He said the initiator of the decision was the Commander of Provisional Council Armed Forces Bislan Gantamirov, who has been reorganizing all formations of the united opposition to tighten discipline and introduce true military order.

One can actually speak of elements of undeclared martial law in the part of Chechnya controlled by the Provisional Council, Martagov said.

According to Martagov, Gantamirov's main task is to concentrate all opposition forces under a single leader, establish ties between individual formations and make them more maneuverable. This should help them to deliver preemptive blows as well as effectively respond to attacks by Dudayev's troops, Martagov said.

Shakhray Clarifies Policy on Chechnya Solution

LD1609153394 Moscow Mayak Radio Network in Russian 1210 GMT 16 Sep 94

[Text] And now, the situation in Chechnya and the official position of the government. Before his departure

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for Chuvashia, Russian Deputy Prime Minister Sergey Shakhrai received our correspondent and said the following:

[Begin Shakhrai recording] The official position of the Russian Federation Government is based on the president's message to the Federal Assembly and the resolution to the State Duma. The essence of the approach lies in the fact that a treaty on delimitation of powers between the federal authorities and the Chechen Republic may become a political formula to resolve the conflict. The condition for signing such a treaty must be the creation of legitimate authorities in Chechnya, that is, authorities which have emerged as a result of free and democratic elections and not as a result of falsification or violence and a large part of the population being unable to take part in elections.

The Government of the Russian Federation bases its activity on several principles which arise from this political formula. First, Chechnya is a constituent part of the Russian Federation, and relations with it must be similar to those with other constituent parts in the application of methods of government and methods of cooperation, including methods envisioned in legislation on emergency situations.

Second, there will not be a military resolution to the conflict with the help of the Russian army. But this does not mean that the power structures of the Ministry of Internal Affairs cannot be put into effect in the struggle against organized crime and in guaranteeing public order and in stopping the spread of arms and drugs from the territory of the Chechen Republic. They will, in fact, be used for this.

The third principle is that the treaty on delimitation of powers is not the beginning but the end of the complex process of resolving the situation politically. The signing of the treaty must pave the way for the coming to power of a government of national or popular confidence, stabilization of the economic situation, an end to the activity of criminal groups, and the creation of conditions for free democratic elections. After the elections, maybe, a treaty such as I spoke about may be the completion of this political process.

Fourth, the Russian Federation Government will support, we might say, the transition, the transition to all intents and purposes to Russian jurisdiction of the structures and territory of the republic which is longing for the introduction of order, for the organization of the economy and normal life for people, for pensions to be paid to people who became military or ordinary pensioners before Khasbulatov or Dudayev came on the scene, that is, to have a normal life. People are tired, the republic's economy has been destroyed, oil refining has fallen to five percent, to five to seven per cent, not to mention other sectors of the economy. [end recording]

Views Fighting Crime as Priority in Chechnya

MM2009151194 Moscow ROSSIYSKIYE VESTI in Russian 20 Sep 94 p 1

[Unattributed report under the "Vice Premier's Position" rubric: "Sergey Shakhrai: The Treaty Must Be Signed by the Legitimate Government"]

[Text] The "Chechen conflict" cannot be resolved by using the Army, Sergey Shakhrai, vice premier of the Russian Government, told journalists during a visit to Cheboksary, capital of Chuvashia.

At the same time he emphasized that the Ministry of Internal Affairs power structures must be mobilized to combat organized crime, to stop the import and export of weapons to and from Chechnya, and also to protect the rights and interests of Russian Federation citizens resident there.

S. Shakhrai believes that a treaty delimiting "spheres of responsibility and powers" between Russia and Chechnya must be "not the beginning but the concluding stage in resolving the conflict." "Prior to this a government of people's trust must be formed, which will resolve economic and political tasks and will also prepare conditions for free elections," he believes.

"The treaty with Russia's federal organs of power must be signed by Chechnya's legitimate government," the vice premier emphasized.

The vice premier believes that over the past three years Chechnya has been turned into "a free zone for criminals and a territory for the transit of drugs, currency, and weapons." Shakhrai reported that "the Russian Government's efforts are now connected with closing down this international, criminal, financial mechanism."

According to Shakhrai, the Chechen people are a proud and free people who have met a tragic fate, so the Russian Government's measures must be very flexible and consistent.

Command Exercises Start in N. Caucasus

LD2009120494 Moscow INTERFAX in English 1133 GMT 20 Sep 94

[Text] Command post exercises have now begun in Russia's North Caucasian Military District.

Although the exercises are being held close to Chechen borders, they are totally divorced from the situation there, an officer on duty at the Defense Ministry's information department told INTERFAX in Moscow. He said the maneuvers were planned and involved a small number of troops and equipment.

The officer on duty said similar exercises would be held in other military districts soon

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Commander of the Land Forces General-Colonel Vladimir Semenov is in charge of the exercises and his Chief of Staff General-Colonel Yuriy Bukreyev leads the main headquarters.

For the first time in history of such exercises, Military Commander of the District General-Colonel Aleksey Mityukhin has been authorized to take charge of all three arms deployed in the region.

Troops Rehearse Command, Control Tasks

MM2009100594 Moscow KRASNAYA ZVEZDA in Russian 20 Sep 94 p 1

[Report "from the Ground Forces" by Gennadiy Miranovich from the "KRASNAYA ZVEZDA Correspondents and News Agencies Report" column: "Command and Control of Forces, and Not Just Ground Forces, Being Practiced in the North Caucasus Military District"]

[Text] It is planned to practice tasks connected with the command and control of forces during the command post exercise being held in the North Caucasus Military District 20 through 24 September under the leadership of Colonel General Vladimir Semenov, commander in chief of the Ground Forces.

As reported at the Ground Forces press center, it is intended to practice during this exercise—for the first time ever in command post exercises—the mechanisms for the command and control of combined units and units of the different branches of the Armed Forces and categories of troops stationed on the territory of a single military district. The command and control of the men and materiel of different branches functioning as part of a single concept of operations will be carried out by Colonel General Aleksey Mityukhin, commander of the North Caucasus Military District. A group of officers from the Ground Forces Main Staff headed by its chief, Colonel General Yuriy Bukreyev, will take part in the exercise.

Exercise Said Not Related to Chechnya

LD2009221794 Moscow Mayak Radio Network in Russian 1830 GMT 20 Sep 94

[From the "Radio Slavyanka" program of the Russian Defense Ministry]

[Text] [Announcer] A scheduled command and staff exercise started in the North Caucasian military district on 20 September. For the first time in exercises of this kind, mechanisms of commanding units of different services of the Armed Forces and Army branches are being practiced. Our correspondent Anatoliy Zinchenko reports from Rostov-on-Don:

[Zinchenko] Today, a command and staff exercise began in the North Caucasian military district. It will continue until 24 September. In the course of the exercise, it has

been planned to practice controlling a combined Air Force and Air Defense Force command post, rebuffing a nuclear strike by an imaginary enemy, and some other tasks. The exercise is being conducted by District Troops Commander Colonel General Aleksey Mityukhin and the person directly in charge is Colonel General Vladimir Semenov, commander in chief of the ground forces. The latter has told journalists that the exercise is being carried out for research purposes. The aim of the exercise is to study the potential for controlling troops and equipment from different branches of the Armed Forces deployed on the territory of the district. According to Colonel Aleksandr Grebenshchikov, deputy commander in chief in charge of training, the aims of the exercise are in no way related to the current situation in the Chechen republic. He also stressed that the exercise was planned and that there is no mention of Chechnya or the Chechen issue on the maps and reports involved in the exercise.

[Announcer] The administrative boundaries of the North Caucasian military district include the territories of Volgograd and Rostov oblasts, and of Stavropol and Krasnodar krais, as well as a number of Russia's North Caucasian republics. Only headquarters personnel are taking part in the exercise.

Shumeyko Favors Maximum Powers for Local Authorities

MK2009123094 Moscow SEGODNYA in Russian 20 Sep 94 p 2

[Report by Yelena Tregubova from Blagoveshchensk in the "Visit" column: "Vladimir Shumeyko Has Found No Chinese Expansion on the Amur"]

[Excerpts] Federation Council Chairman Vladimir Shumeyko visited Amur Oblast yesterday. Local administration chief Polevanov is convinced that the oblast's further economic development should be conditioned by the fact that it "is a zone bordering China." According to the Blagoveshchensk Foreign Affairs Department, under the governor, in 1993 the oblast's foreign trade was \$400 million, 91 percent of which was made up by China. However, after the introduction of a visa regime with China at the beginning of this year and the raising of import duties, imports fell 90 percent and exports 83 percent as compared to last year. Vladimir Shumeyko attributed this to the fact "that myths about an impending Chinization of Blagoveshchensk are circulating in Moscow." [passage omitted]

During his visit the speaker of the upper chamber came to the conclusion that "Chinese expansion does not threaten Blagoveshchensk." He stated that he will press for a free economic zone status to be granted to Amur Oblast and, generally, "as senate leader, will do everything to make sure that maximum powers be transferred to regional authorities." Unlike his deputy Ramazan Abdulatipov, Vladimir Shumeyko believes Moscow

should conclude bilateral treaties with all Federation components "to take all their specifics into account." [passage omitted]

Tatar Premier: Government Must Slash Spending

LD2009203094 Moscow INTERFAX in English 1844 GMT 20 Sep 94

[Text] The Tatar government has to submit a proposal to slash the expenditures of the current budget to the republic's parliament, Tatar Prime Minister Mukhammat Sabirov told a conference in Kazan Tuesday attended by government members, local administration heads and directors of local enterprises.

According to Sabirov, the production decline in Tatarstan over the first eight months of this year amounted to 29

against last year. The production decline is accompanied by prolonged standstills of equipment and forced vacations. The number of unemployed in the republic reached 22,000.

Sabirov said Tatarstan's machine-building had seen a decline of 50%. The joint-stock company KamAZ alone reduced the output of trucks by 30,000. The volume of shipments went down by 42%, while that of construction by 24%. The republic's budget received 70% less funds than planned.

Speaking at the meeting, Tatar President Mintimer Shaimiyev pointed to the need to improve the republic's financial system, harshly affected by forged letters of payment, illegal lowering of interest rates, granting credits and loans for bribes and illegal cash operations.

Shaimiyev also told the meeting that tax discipline must be raised and privatization sped up.

North Ossetian Leader Critical of Ingush Stance

LD2009214894 Moscow ITAR-TASS World Service in Russian 1505 GMT 20 Sep 94

[By ITAR-TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz, 20 Sep—Today's meeting between North Ossetian President Akhsarbek Galazov and Vladimir Lozovoy, head of the provisional administration in part of North Ossetia and Ingushetia, concentrated on issues of stabilizing the situation in the emergency zone, implementing the Russian president's edicts and the Russian Government's decisions, and working out a procedure for the return of refugees and forced resettlers to Prigorodnyy Rayon's four populated areas. An ITAR-TASS correspondent has learned that special attention was paid to stepping up work to restore housing and vital facilities in Prigorodnyy Rayon's villages where refugees and forced resettlers are to return.

Meanwhile, the press service of North Ossetia's president and government reported today that Vyacheslav

Mikhaylov, Russian deputy minister for nationalities and regional policy, had arrived in Vladikavkaz to study the ongoing situation in the zone of the Ossetian-Ingush conflict.

The same source confirmed that today Akhsarbek Galazov had received Aleksandr Pimenov, an analyst from the Novosti news agency. In their conversation they touched upon issues related to settling the situation in the Ossetian-Ingush conflict. Akhsarbek Galazov said, inter alia, that today's situation in many ways repeats the one on the eve of the tragedy of autumn 1992. This conclusion is based on facts of mounting hysteria around the problem of the return of refugees, the Ingush Constitution's provision on mandatory return of "primordial lands," and the tacit response to this from the federal bodies of power as well as the decision by the Congress of the Ingush people. The Ingush leaders' striving towards strong-arm methods of solving the conflict through a stepped-up return of people as well as various ultimatum-type statements testify to an unwillingness to move towards peace and accord and solve issues by constructive means. Speaking about the North Ossetian leadership's position, Akhsarbek Galazov noted that the republic is carrying out consistent work to implement the Russian president's edicts and the Russian Government's decisions in fairly complex political and socioeconomic conditions. Moreover, only through conciliatory commissions and a reconciliation procedure can one advance towards a positive result and count on mutual understanding in the future, he said.

Lozovoy Sees Risks in N. Ossetian Repatriation

MK2009122094 Moscow SEGODNYA in Russian 20 Sep 94 p 1

[Report by Natalya Gorodetskaya under "War?" rubric: "The Ingush Have Decided To Go Home. Vladimir Lozovoy Awaits 'Unpredictable Consequences'"]

[Text] The organizing committee for the return of Ingush refugees has stated that it is ready to supervise a mass "repatriation" to Prigorodnyy Rayon in North Ossetia. The Ingush are to return to four villages: Chermen, Dangaron, Kurtat, and Dachnoye, on 23-26 September. Addressing a conference on the assessment of the Ossetian-Ingush armed conflict of October-November 1992 in Prigorodnyy Rayon, which was held over the past weekend in Nazran, Interregional Caucasus Prosecutor Vitaliy Kalyukin expressed extreme concern over the upcoming mass repatriation (it will be recalled that some 12,000 families are to return to their homes "whatever the obstacles").

Meanwhile Vladimir Lozovoy, head of the provisional administration in the emergency zone in Ingushetia and North Ossetia, said that "without preliminary work, this will lead to escalation of tensions in the district" and unpredictable consequences. According to Lozovoy, "recently the government of North Ossetia has defined concrete steps in organizing work to restore the

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destroyed housing and social and cultural amenities in residential areas" designed for relocation. The administration head has apparently invited intermediaries from Stavropol Kray and Dagestan to the emergency zone for negotiations. Furthermore, it was decided to report the current situation to the Russian Federation president. Vladimir Lozovoy condemned the actions by government structures and public movements of the North Ossetian Republic "aimed at slowing the return," and called on Ingushetia's leaders to prevent "an exodus" that could disrupt peace talks. Otherwise the blame "for possible consequences" will be placed on the Ingushetia leadership.

SEGODNYA's correspondent has been invited to Nazran to a press conference by Ingushetia President Ruslan Aushev on this issue, scheduled for 21 September, and has been invited to take part in the return of Ingush refugees on the 23d. Since yesterday, however, under an order by the provisional administration head, limitations on the passage of vehicles through the Verkhniy Lars checkpoint, at the crossing of Ingush, North Ossetian, and Georgian borders, were imposed, and flights to Nazran were also canceled "until further notice."

Nizhniy Arms Plant Owed R30 Billion

MM2109091694 Moscow KRASNAYA ZVEZDA in Russian 17 Sep 94 p 3

[RIA report: "'Sokol' Not Allowed To Spread Its Wings"]

[Text] Nizhniy Novgorod—Vladimir Pomopov, general director of Nizhniy Novgorod's "Sokol" aircraft building plant, has estimated that the state owes 30 billion rubles for output that has already been manufactured for the Russian Army. It is a question of articles that in terms of their technical specifications will determine the future of Russian military aviation. Yet at the moment the enterprise is barely making ends meet. And that is mainly thanks to orders placed by India, China, and other countries interested in modernizing aviation equipment supplied previously.

At the recent "Arms. Military Hardware. Conversion" Exhibition in Nizhniy Novgorod the "Sokol" Aviation Plant exhibited samples of sophisticated military and civilian multirole aircraft, aviation armaments, and output produced as a result of conversion—contemporary technologies for the smelting, casting, and heat treatment of alloys.

Zaveryukha in Omsk Explains Agricultural Policy

MM2009124594 Moscow SELSKAYA ZHIZN in Russian 17 Sep 94 p 1

[Report by Yuriy Savin: "Trip Around Siberia"]

[Text] Omsk—Vice Premier of the Russian Government A.Kh. Zaveryukha shared his idea of forming a single

agrarian movement in Russia at a meeting of Omsk Oblast's leading workers 15 September during his visit to West Siberia. It is assumed that the future association will be able to coordinate the efforts of all those who are concerned about the fate of Russia's rural areas, and to have a large enough influence on state support for agricultural commodity producers and the activities of the legislative and executive branches of power. This may become a mass movement; it will bring together on a voluntary basis agricultural, processing, and forestry workers, fishermen, and workers from other sectors, and the organizations of the Agrarian Party, the Agrarian Union, the Association of Russian Peasant (Private) Farms and Agricultural Cooperatives, and the rural trade unions.

During his trip the deputy head of the Russian Government has visited agricultural and processing enterprises, and agricultural institutes, and met with machine operators, field crop growers, private farmers, scholars, managers, and specialists. He is finding out the harvest's progress and explaining what lies at the heart of the state's agricultural policy.

A.Kh. Zaveryukha arrived in Novosibirsk Oblast Friday 16 September. It is expected that a regional conference of leaders of republics, krays, oblasts, and autonomous formations of Siberia and the Far East will take place here on Saturday.

Yavlinskiy Contributes To Privatization 'Guidelines'

MM2009160894 Moscow ROSSIYSKAYA GAZETA in Russian 20 Sep 94 First Edition p 1

[ROSSIYSKAYA GAZETA-ITAR-TASS report from the "Yesterday, Today, Tomorrow" roundup: "Privatization—Results and Prospects"]

[Text] Basic guidelines for the policy of privatization in Moscow after 1 June, 1994, have been submitted to the capital's government by Grigoriy Yavlinskiy, famous economist and leader of the Center for Economic and Political Research, and First Deputy Premier Konstantin Buravlev.

A group of experts with the participation of members of the city administration spent two months working on this document. It defines the principles and guidelines for privatization in the long term.

Upper Chamber Deputy Views Neglected North

MK2009133094 Moscow SEGODNYA in Russian 20 Sep 94 p 2

[Report from Magadan by ADS' Viktor Timakov under the "Territories" rubric: "Northern Senator Accuses Government of Unscrupulous Financial Dealings. What Is Left for Arctic Residents 'Is To Brace for Evacuation'"]

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[Text] Valentin Tsvetkov, member of the Federation Council and chairman of the Committee on the Affairs of the North and Smaller Nationalities, who visited Magadan last week, heaped harsh criticism on the government for its attitude to the Russian North. He held Viktor Chernomyrdin personally "responsible for the catastrophic situation" with preparations for winter in all Northern regions and for "failure" to bring freight into Arctic areas. "This is a result of a policy carried out by the current government," Mr. Tsvetkov said. "I think that the Chernomyrdin government will have to step down because it has demonstrated its ineptitude."

Mr. Tsvetkov said that "the North's contribution"—oil, gas, coal, precious metals, diamonds, and other resources—accounts for nearly 100 percent of the Russian treasury's hard-currency earnings. On the other hand, with regard to meat and meat products, for instance, the North's requirements have been satisfied by only 33.9 percent on average, the senator said. For Tuva, the figure is 0.5 percent; for Khanty-Mansiysk Okrug, 5.1 percent; for Sakhalin Oblast, 16.9 percent.

By abolishing the State Committee on the North and turning its functions over to the Nationalities Ministry, Mr. Tsvetkov said, the government has created conditions where "even the slashed" subsidies to the North, amounting to 5.5 trillion rubles [R] (instead of the R9 trillion required for 1994), are being delayed and "manipulated" in Moscow for a long time. "I can say frankly," Mr. Tsvetkov said, "that all of Moscow is currently using the money of our North." Before reaching northern residents, the senator believes, this money is being reinvested many times through commercial businesses with the authorities' knowledge. According to Mr. Tsvetkov, the already available R3.1 trillion out of the R5.5 trillion appropriated has been delayed by the Nationalities Ministry by all possible means in the most favorable summer time. In July, Mr. Tsvetkov said, the Nationalities Ministry kept R200 billion "allegedly as a reserve." But subsequently the amount was seized by the government and, the senator is convinced, will never reach the northerners.

In response to a message by a group of Federation Council deputies requesting that the State Committee on the North be reinstated, Viktor Chernomyrdin said in his letter that the abolition of the committee was justified. At the same time, Mr. Tsvetkov noted, "all programs related to activities in the North have been thwarted. We had foreseen that, made forecasts and warned about it. But the government would not listen to us." Proof that they "would not listen," Mr. Tsvetkov thinks, is the fact that Russian Federation Government decree No. 893, on introducing an emergency procedure for transporting freight into areas of the Far East, was signed by Viktor Chernomyrdin 30 June, but went into force 1 August 1994, when most northern rivers were no longer navigable and the ice situation along the Northern Sea Route had drastically deteriorated. As a result, Mr. Tsvetkov noted, only 1 percent of the requisite freight

was brought into a number of Arctic areas. "What will happen this coming winter to the population of the Arctic areas is anybody's guess, and what is left is to brace for evacuation," the deputy said.

Mr. Tsvetkov suggested that deputies from northern regions unite into a "single political force" that would act as an organized parliamentary faction.

Gaydar Sees Reform, Kaliningrad Free Zone

WS2009145194 Kaliningrad YANTARNYY KRAY in Russian 8 Sep 94 p 2

[Excerpts from a news conference held by Yegor Gaydar, leader of the "Russia's Choice" faction in the Russian Duma in Kaliningrad; date not given: "I Was Not an Advocate of the Shock Therapy"]

[Text] [Unidentified reporter] You are an advocate of market reform. How would you assess its progress?

[Gaydar] The question is what kind of market are we heading for. The nomenklatura has always attempted to use its power to obtain material riches. The years 1989-91 were the "golden age" of privatization carried out by the nomenklatura. One simple mechanism functioned perfectly—enterprises were estimated in accordance with their residual value and sold at a ridiculous price to their managers, some important bosses, or party functionaries. This is how the new owners came to exist. Some of the stock was sold to employees, too, but their shares constituted a sorry percent. A nomenklatura representative or his accomplices became the actual owners.

Such admission to a market economy is fraught with numerous violations. We are currently witnessing these violations and believe them to be an obstacle on the road to reform.

Powerful competitive enterprises, too, have emerged. They have entered the market fundamentally and confidently, but were stopped by nomenklatura barriers. They were strangled with taxes; very strict credit rules were applied; they were cut off from deliveries. Many enterprises collapsed under this burden. Only those survived who begged for mercy from the nomenklatura.

The intelligentsia displayed interest in market reform and supported it. As a rule, these people work in subsidized sectors—education, medical care, and culture. Market reform was to have strengthened the budget and thus, ensured more subsidies. Unfortunately, reform has gone astray. The "shock therapy" which I, incidentally, did not advocate, did not help. As a result, the intelligentsia's faith in a radiant future of the transformations was shaken. Reform repelling intellectuals cannot count on success. These are, briefly, my remarks.

[Unidentified reporter] How do you assess the idea of forming free economic zones? What are the peculiarities of a free economic zone in Kaliningrad?

[Gaydar] The avalanche of free economic zones, which started two years ago, was frankly speaking, irrational. Measures had to be taken to curb this process.

As for Kaliningrad Oblast, it is destined to become a free economic zone in light of its situation. The only question is how to incorporate it in Russia's economy. A federal law is being drafted to regulate this issue. There will be a good deal of problems with its adoption. It is still unknown how to remove the main incongruity—the more powerful self-rule is, the tougher the external conditions.

[Unidentified reporter] We are expanding cooperation with the neighboring Baltic states. There are some voices warning against the oblast's Germanization. What do you think about this?

[Gaydar] Why not Polonization or Lithuanization? In my opinion, those fears are groundless. Russia is a legal entity subordinated to the Russian Federation [as published]. This is stipulated by the Russian Federation Constitution. Kaliningrad Oblast should develop its cooperation with other states, naturally, on a mutually advantageous basis. The framework of economic cooperation, financial, and production integration should be expanded.

[Unidentified reporter] What is your attitude toward the "Russia's Choice" youth organizations?

[Gaydar] It is positive. However, we are not going to form them from the top. There exists a young people's movement supporting our party. Let them make their choice. Once they decide to form an organization, we will help them.

Neryungi Airport Acquires International Status

MM2009102594 Moscow RABOCHAYA TRIBUNA in Russian 17 Sep 94 p 2

[Unattributed report: "Can You Travel from Neryungi to Zurich?"]

[Text] Neryungi City airport has acquired international status. Swiss specialists have installed a radar equipment and satellite communications complex here. The local aviation detachment has acquired two A-310 airbuses. One of them has already made a flight to Switzerland. In the future the airbuses will fly to Moscow, Zurich, Seoul, and Anchorage. In addition the airport will act as a reserve on the route of international airlines from West Europe to Southeast Asian countries.

International Affairs

Haiti Accord Welcomed; More UN Efforts Urged

LD2009181594 Kiev UNIAN in Ukrainian 1530 GMT 20 Sep 94

[Text] Kiev—Volodymyr Yelchenko, deputy head of the Ministry of Foreign Affairs directorate for international organizations, announced the ministry's statement on the situation in Haiti at a briefing on 20 September.

The statement points out that since the start of the crisis, Ukraine has opposed the coup and the violation of the constitutional order which led to the overthrow of the legitimate government of President Jean-Bertrand Aristide.

Ukraine supported the international community's decisions aimed at the restoration of democracy to Haiti, including the resolutions of the General Assembly and the Security Council, and the Governor's Island accord.

Following the military regime's failure to honor its commitment to hand over power to the democratically elected president, the Security Council approved a resolution in October 1993 authorizing the use of military force to restore the legitimate president in power. Ukraine stresses that the U.S. mediation and the political pressure from the international community helped to create conditions for a transition of power in Haiti to Aristide.

Ukraine hopes that the agreements reached in Port-au-Prince will be honored, and that the military operation will end with the setting up of a UN mission which will assume responsibility for maintaining law and order in Haiti.

Space Pact With India Allows Use of Launch Boosters

LD2009175994 Moscow INTERFAX in English 1354 GMT 20 Sep 94

[Text] The Ukrainian-Indian agreement on peaceful utilization of space, signed on September 16, primarily provides for cooperation in the sphere of space technology, including remote probing of the Earth, acting Director General of the Ukrainian National Space Agency Andrey Zhalko-Titarenko told Interfax-Ukraine.

Zhalko-Titarenko said that the agreement also provided for possible utilization of Indian boosters for launching into orbit Ukrainian satellites and utilization of the Ukrainian and Indian space facilities on land.

He said it was too early to speak about utilization of Indian launching sites by Ukraine but that this was a possibility.

Zhalko-Titarenko stressed that Kiev would exercise control over rocket technologies while carrying out projects with India.

Interfax-Ukraine learned that earlier the United States had expressed concern over possible transfer of technologies falling under the regime of control over rocket technologies to India. Washington asked Kiev to inform it on the documents signed during the visit of former head of the National Space Agency Vladimir Gorbunin to India. Ukraine replied that there were no reasons for concern over this issue.

Moroz Meets Council of Europe Delegation

LD2009193094 Kiev UNIAN in Ukrainian 1335 GMT 20 Sep 94

[Text] Kiev—The process of Ukraine's integration in the Council of Europe could be faster were it not for the difficulties of an objective nature that Ukraine is experiencing, Supreme Council Chairman Oleksandr Moroz told a meeting with a Council of Europe delegation, led by Secretary General Daniel Tarschys, on 20 September. He assured the delegation that the Supreme Council will do its best to step this process up. Oleksandr Moroz described the current political situation in Ukraine and the autumn and winter parliamentary session's main tasks.

Oleksandr Moroz stressed that Ukraine should expand its role in all international organizations. Daniel Tarschys replied that the aim of his visit is to obtain information about Ukraine's readiness to integrate in the Council of Europe and about the degree to which its legislation conforms to international laws. He gave assurances that Ukraine will play a significant part and take a leading position in the Council of Europe.

On the subject of the preparation by parliament of laws on the organization of power in Ukraine, Oleksandr Moroz said that, as to the principles that will determine the democracy content of these laws and Ukraine's future constitution, the parliament's goal is twofold: To safeguard human rights and to safeguard the rights of the regions.

Kuchma Comments on Treaty With Russia

LD2009174694 Moscow INTERFAX in English 1531 GMT 20 Sep 94

[Text] Ukrainian President Leonid Kuchma said his priority in signing the wide-scale Ukrainian-Russian Treaty on Friendship and Cooperation was Ukraine's national interests.

Kuchma told journalists on a visit to an agricultural exhibition on the outskirts of Kiev today that "work on the treaty with Russia continues." Kuchma said he was sure that the "treaty must be signed as Russia remains our main partner."

Commenting on opposition statements that the treaty infringes on Ukraine's interests, Kuchma said, "I don't want us to be dictated what treaty to sign."

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Kuchma said that he intended to make known the plan of action of the Ukrainian leadership in parliament in the near future. "This will not be a program which the parliament must approve but a plan of action," he added.

Well-informed sources in the president's administration told Interfax-Ukraine that Kuchma intends to speak in parliament next week.

Defense Minister on Black Sea Fleet Talks

LD2009211294 Moscow INTERFAX in English 1843
GMT 20 Sep 94

[Text] Ukraine's position at the talks with Russia remains the same - the Ukrainian Navy must be able to have its base at any site on the territory of the republic, Ukrainian Defense Minister Valeriy Shmarov told journalists in Kiev Tuesday.

Shmarov said Ukraine was insisting that the Fleet's coastal infrastructure was its property and Russia could use it only on a leasing basis.

"Russia is pushing the Zavidovo agreements," he said. (According to the documents signed near Moscow in the summer of 1992, all the Black Sea Fleet was to be divided equally between Russia and Ukraine - IF note).

According to Shmarov, Ukraine still insists on preserving its Navy in Sevastopol, while Russia is seeking a monopoly on the city.

At the same time, the two sides agree that the Black Sea Fleet must be based in Sevastopol on a leasing basis. The term of the lease has not yet been agreed on, Shmarov said.

Shmarov also said that personal points of view of employees of the Ukrainian Defense Ministry did not affect the Black Sea Fleet talks as Ukraine's main demands are formulated by the Ukrainian president.

Commenting on the statement by Russian Defense Minister Pavel Grachev on "nationalist" views of some high-ranking officials in the Ukrainian Defense Ministry, Shmarov said for people of such rank there existed such a notion as "proper behavior to colleagues."

"It would be improper of me to give advice to Grachev on how to solve his personnel problems," he said pointing out Grachev did not have fewer personnel problems than himself.

Deputies Express Support for Chechnya, Dudayev

AU2009145294 Lvov ZA VILNU UKRAYINU in
Ukrainian 10 Sep 94 p 1

[Letter by a group of Ukraine's Supreme Council deputies, including Stepan Khmara, Hryhoriy Omelchenko, and others: "Solidarity in the Struggle!"]

[Text] To president of the Chechen Republic Mr. Dzhokhar Dudayev

Much esteemed Mr. President,

Allow us to express our full support for and solidarity with you and the entire heroic people of Chechnya in your struggle for independence.

The restoration by the Chechen people of its statehood, the firm and independent position occupied by its leadership, and the readiness to stand up for its natural right to freedom and independence—all of this gives rise to hostility on the part of those who are striving to reestablish the colonial status of the Chechen Republic.

Precisely for that reason, Chechnya and its heroic people are subjected to such a wild pressure by those forces that want to destroy their independence. The entire arsenal of neocolonial policy is employed here: Disinformation of the public, economic blockade, the creation and financing of opposition, and blatant military intervention and provocations.

These traits are so familiar to us in Ukraine, to all those peoples who strive for freedom and independence, and to all those, who will not allow their land to be enslaved again.

Mr. President, we deputies of Ukraine's Supreme Council (the Ukrainian parliament) express our sincere support for the heroic Chechen people from ourselves, our voters, and all conscious people of Ukraine who cherish the notions of freedom, independence, and national dignity!

We will take the most active measures to assist you in your struggle for your independence.

Long live the unconquerable Chechen people!

With best wishes for the peace and prosperity for your state, deputies of Ukraine's Supreme Council:

Mykhaylo Ratushnyy, Taras Protsevyat, Ivan Bilas, Serhiy Kyrychenko, Levko Hlukhivskyy, Petro Shvydkyy, Oleh Matkivskyy, Hryhoriy Demyan, Yevhen Zhovtyak, Stepan Khmara, Roman Krutsyk, Stepan Volkovetskyy, Mykhaylo Kostytskyy, Hryhoriy Omelchenko, Vyacheslav Bilous.

Meshkov Tight-Lipped on German, Swiss Talks

944K2334C Simferopol KRYMSKAYA PRAVDA in
Russian 16 Sep 94 p 1

[Article by O. Volodin: "Where Are the Swiss Millions?"]

[Text] "When the president of Crimea returned from his overseas trips, he promised in his speech on television and radio abundant receipts of foreign credit by the fall, which, in his words, would make it possible to increase the pay of employees in Crimea's publicly funded spheres. Fall is

now here. Where, though, are the promised Swiss millions? I believe that the president should notify Crimeans in greater detail about the specific results of his trips to Switzerland and Germany. What have they done for Crimea?

A. Kovaleva, Simferopol.

Inasmuch as there is a multitude of such letters in the editorial mail, we decided to turn for an answer to the Office of the President of the Republic of Crimea directly. But the response of Vyacheslav Lebedev, leader of the president's Press Office, was quite terse: "The president of Crimea will not be providing any additional information on his trips abroad and his business negotiations. In addition, even the information that he made available in the Crimean press in the summer could, in the opinion of our foreign partners, be detrimental to the realization of the agreements that were achieved."

It should be recalled here that Yu.A. Meshkov's July interviews dealt, in particular, with the German side's participation in the modernization of transport services and means of communication of Crimea, investment in hotel construction, the opening of a Swiss trading office in Simferopol, and so forth.

But who specifically on the German or Swiss sides negotiated with the president of Crimea? Were these governmental or commercial structures? It was this question that a correspondent of KRYMSKAYA PRAVDA put to Yuriy Meshkov at a news conference two months ago, incidentally.

"The Crimean delegation negotiated both with government circles and with businessmen," the president of Crimea replied at that time.

Of course, any business negotiations, especially on delicate financial matters, require a certain confidentiality. Some time has to elapse for a variety of details to be agreed, the intentions and possibilities of the parties to be finally calibrated, and so forth.

But, all this notwithstanding, there is one very material point on which attention should be focused. Yu.A. Meshkov is not a private individual, is not a businessman, and is not a tourist who had decided to admire Switzerland's Alpine beauties. He is the highest official of the Republic of Crimea and the head of its executive. And for this reason, if he was negotiating with government circles of Switzerland or Germany, the results should have been reflected immediately in the corresponding government communique. And there can be no secrets of the court of Madrid in this case.

Each step of the U.S. president, for example, is the focus of public attention, and that of the congressmen also, of course. As for Bill Clinton permitting himself to go to a foreign country for negotiations without having notified his White House colleagues....

Here, however, according to the chairman of the Supreme Council of Crimea, he learns of Yu.A. Meshkov's overseas missions from the newspapers. There is talk in this connection even of the opening incognito of missions of the Republic of Crimea in a number of states of the far abroad.

And while this practice in Crimea's corridors of power persists, no one will be able to give a meaningful answer to our reader's intriguing question concerning the Swiss millions.

National Affairs

Continuing Reportage on Crimean Government Crisis

Kuchma Envoy Optimistic

LD2009205294 Moscow INTERFAX in English 1556 GMT 20 Sep 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[Text] The Ukrainian president's special envoy in Crimea Yevgeniy Marchuk speaking in Simferopol said there were some contacts and some understanding between the regional parliament and President Yuriy Meshkov. "Although my mission is not over yet, I have some grounds for optimism", he said.

Marchuk said the Crimean police were firmly in control of the situation.

The zero option offered by the Ukrainian president does not mean that other options are blocked, he said.

Earlier, Ukrainian President Leonid Kuchma had offered both sides to annul each other's decisions which led to a constitutional stalemate.

The internal crisis in Crimea is caused by activities of ex-President Leonid Kravchuk's team with part of it holding back to power, an officer of the Black Sea Fleet's [BSF] analytical department said.

Speaking in an interview with Interfax on condition of anonymity, he said that those activities were designed to carry out several goals. Among them, to fuel tension in a region where the interests of Moscow and Kiev clash, to derail a Russian-Ukrainian summit, to show the Crimean administration's inability to run the territory and annul the power sharing deal between Kiev and Simferopol, and cause a disarray within the ranks of the regional pro-Russia movement.

The BSF officer said that added up to the power crisis were the problems of personnel, lack of a legal basis for regulating relations between the Crimean president and parliament, a number of aliens on both sides and the ill-defined powers of the president's pro-Moscow government.

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He accused Meshkov and parliamentary speaker Sergey Tsekov, one time associates, of excessive ambitions which forced them to seek Kiev's brokerage. It is far from being coincidental that Yevgeniy Marchuk, former chief of the security service, is now mediating in talks between Meshkov and Tsekov, the BSF officer said.

Meshkov Orders Cabinet Candidates List

LD2009181094 Moscow INTERFAX in English 1354 GMT 20 Sep 94

[Text] The Crimean president's first aide Vladimir Karpov told Interfax that the president had instructed him to collect lists of candidates to the new government from the parliamentary factions, not to form a new cabinet. "It is the duty of the vice premier to shape the government. So far, the vice premier's functions are being performed by Yevgeniy Saburov," he said.

Karpov announced, at the same time, that Meshkov has a reserve team, of which Karpov himself is a member.

He noted that if Meshkov accepted Saburov's resignation and agreed to form a coalition government, this move would be considered a manifestation of the president's good will.

Meanwhile, the parliament staff told Interfax that the parliament's presidium had taken the decision to form a commission for overseeing the government.

The presidium members stated that the commission would work as long as the Saburov government remained in office.

The Crimean parliament passed a vote of no-confidence in the Saburov government and instructed the president to present a candidate to be the new head of Cabinet within seven days.

Commission Concludes Crimea Meetings

LD2009214294 Kiev UNIAN in Ukrainian 1750 GMT 20 Sep 94

[Text] Simferopol—A Supreme Council of Ukraine special commission concluded its work in the Republic of Crimea on 20 September. In the opinion of Yuriy Karmazin, chairman of the Supreme Council of Ukraine standing committee supervising the implementation of Supreme Council decisions, who led the activities of the special commission, "all meetings in Crimea, including with Crimea's Parliamentary Speaker Serhiy Tsekov and President Yuriy Meshkov, were marked by total mutual understanding."

Yuriy Karmazin's assessment of President Yuriy Meshkov's meeting with representatives of the Ukrainian parliamentary delegation is that it was "a goodwill gesture." Ukraine's Supreme Council, in his words, will be offered a number of ways out of "the Crimean

deadlock." Yuriy Karmazin believes: "It is only when the situation in Crimea stabilizes that it will also stabilize in Ukraine."

Asked by a UNIAN correspondent about Crimea's Constitutional Court, Yuriy Karmazin said: "The Ukrainian Constitution makes no provision for the existence of constitutional courts either in the Republic of Crimea or any other region. This contravenes the legislation in force. If there is this court in Crimea, it will be nonsense in legal terms."

Crimea's Parliamentary Speaker Serhiy Tsekov has an opinion of his own on this subject: "The Republic of Crimea Constitution provides for a constitutional court and no one will be able to prove us to be wrong."

Commission Finds Breach of Laws

LD2009183994 Kiev Radio Ukraine World Service in Ukrainian 1720 GMT 20 Sep 94

[Text] We have come to study everything that led to the conflict between Crimea's branches of power, rather than stage a trial of either of them, Yuriy Karmazin, chairman of the Ukrainian Supreme Council's commission for the investigation of the situation in Crimea, told a news conference on 20 September. We have visited virtually all regions of the autonomous republic, met representatives of all parties and movements, and studied the situation. We shall report to the Supreme Council on the state of affairs.

Our impressions are various. All violations, however, found to have taken place in Crimea in principle constitute actions in breach of Ukraine's laws and Constitution.

Commission members question a number of Crimean President Yuriy Meshkov's decrees. The law on the Constitutional Court, passed by Crimea's parliament, does not conform to Ukraine's Constitution. Nor does the Ukrainian Constitution make provision for Crimea's president.

The way out, according to Ukraine's Supreme Council commission chairman, is to bring the Crimean Republic's Constitution and laws in line with Ukraine's legislation.

Republicans Call for Meshkov's Expulsion

LD2009184294 Kiev Radio Ukraine World Service in Ukrainian 1720 GMT 20 Sep 94

[Text] An expanded coordinative council of the Republican Movement of Crimea has called Crimean President Yuriy Meshkov's actions an attempt to liquidate the institution of Crimea's representative authorities and the Supreme Council. In a statement issued by the coordinative council, his acts are described as a chain of actions and moves carried out in disregard of the Republican Movement's program. The document goes on to say that after the first few days following his election

Yuri Meshkov broke off all contacts with the party and never consulted it in connection with the appointments and decisions he made. Yuri Meshkov's actions have done serious harm to the republic's statehood.

The coordinative council passed a vote of no confidence in the Crimean president and stated that the issue of his expulsion from the party should be raised at the party's next congress.

15 Sep Parliament Session Reported

944K2346B Simferopol KRYMSKAYA PRAVDA in Russian 17 Sep 94 p 1

[Yelena Gornaya report: "Provisional Government Deposed?..."]

[Text] The outcome of the plenary sitting of the Supreme Council of Crimea on 15 September was predetermined. It was clear to everyone that consideration of the government report "Preparation of the National Economic Complex of Crimea for Work Under Fall-Winter Conditions" was merely a formal pretext for the expression of a vote of no confidence in the "repellent" Muscovites. This finale was, in fact, predetermined eight months ago, when President Meshkov announced that he had invited to the post of vice premier Ye.F. Saburov and that the latter would be coming to Crimea not alone but with a team of associates. Whatever the Muscovites' serious intentions, they were from the start "not wanted." The efforts of the invited reformers to become full Crimeans would have gone on for some considerable time, possibly, but Meshkov's failed attempt to abolish the refractory parliament accelerated the denouement.

On the day of the final "assault" on Saburov's Cabinet the head of the executive was absent from the meeting hall. Nonetheless, the ministers conscientiously performed their swan-song, presenting the members of parliament an account of their work over these months of endless altercations. Anticipating the report, Ye.F. Saburov said that he was leaving his successor pretty good work in progress. The budget had been filled up considerably as a result of the reform of taxation.

Ukraine and Russia now intend to apply the Crimean experience at home. A considerable quantity of gas, several times more than last year, has been laid by in Crimea for the coming winter. There are guarantees of the supply of other necessary energy resources. Having made an indirect statement of his intention to resign, the vice premier added that there are a number of conditions whereby he could remain in office concerning regulation of the work of the government and the entire vertical line of power.

But they are obviously untenable, and in the current situation the vice premier sees no possibility of his continuing to work. He then became absorbed in his report and answered the deputies' questions.

This was followed by the reports and answers to questions by S.A. Nikolskiy, minister of agriculture and food, and Finance Minister L.M. Zaytseva and also by Ye.D. Namyak, chairman of the State Committee for Housing and Public Utilities (inasmuch as the question of preparations for winter was, for all that, on the agenda).

All this took up a large part of the day, and the deputies embarked on the debate only around 1700 [1300 GMT] in the evening. There were so many of those that wished to approach the lectern that the session had to be extended over and above the time allotted by the standing orders. The members of parliament were clearly prepared to go entirely without supper, just as long as they conclusively dotted the "i's" in relations with the government. The verdict amounted to the fact that the government had done no work, the economy was not ready for winter, and the filling of the budget was "juggling" inasmuch as the computations start with the level of prices of December 1993. In addition, Crimea has yet to settle accounts for the gas pumped into the Glebovskoye repository.

And, generally, instead of having busied themselves with their direct duties, some members of the government had become addicted to politics. "Should we not be getting from them a written undertaking not to leave because of their participation in the organization of the putsch? There is just one route for such things—to prison," Deputy Bakharev summed up. There were also defenders among the fragments of the Russia faction that had remained loyal to President Meshkov. But with their oratorical exertions they merely inflamed the ardor of the majority.

At 2000 [1600 GMT] in the evening the members of parliament ended the debate and, as moved by Deputy Balla, expressed by 58 votes out of 8 [second digit illegible] a vote of no confidence in the government. They then voted for its resignation, requiring the president to adopt a decision on this within seven days' time and to present to parliament proposals concerning the formation of a new government.

The deputies took separately a vote of no confidence in V.M. Minin, leader of the Office of State Affairs. The energetic Viktor Mikhaylovich had given our legislators so much in the way of excitement and emotional experiences that they unstintingly cast 72 votes for his dismissal from office. Some were upset that legislation prevents this being effected within 24 hours.

Well, the Muscovites will return to their previous jobs at Saburov's center and will only as the occasion presents itself say with a grin: "When I was minister in Crimea...." And Crimeans will, as before, remain hostages in the confrontation of personal ambitions of the elected representatives. A satirical couplet of their colleague V. Savchenko was making the rounds among journalists on the day of the session. Ultimately Refa Chubarov read it out to the whole hall:

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Parliament has men of talent alone
And our president is for the people,
But it is cholera that will bring us all
Down to the zero option.
Who might Saburov's successor be?

"There are many alternatives," the former vice premier responded in a lobby conversation. "I personally very much like Vitaliy Kurashik."

Faction Leaders Hold News Conference

944K2346A Simferopol KRYMSKAYA GAZETA in
Russian 17 Sep 94 p 1

[Yelena Alekseyeva report: "Faction Leaders' News Conference"]

[Text] A news conference of parliamentary faction leaders was held on 16 September in the Supreme Council of Crimea. V. Nikulin (Russia), V. Klychnikov (Republic), Yu. Selyukh (Agrarian), R. Chubarov (Kurultay), and A. Danelyan (on behalf of the Reform faction) took part. They declared that they recognized the fullness of responsibility of the Supreme Council for the events connected with the resignation of the government of the republic, although they see no particular tragedy here. Parliament is prepared together with the president to embark on the formation of a government of national trust and will assume responsibility for its work. It was said that it would be expedient to make haste with the new appointments. The selection of candidates should be approached carefully, and for the transitional period the functions of central executive would be transferred to a so-called "technical government" composed of the officials that are, in fact, in charge of their departments.

Regarding the expediency of realization of the institution of a presidency in Crimea, the leaders of four factions responded that there should be a return to the consideration of this matter, possibly, some time hence, when the political atmosphere is not as explosive. The Reform faction remains unequivocally a supporter of a presidential Republic of Crimea. All the faction leaders were unanimously of the opinion that the situation in Crimea would henceforward largely depend on the extent to which parliament could preserve its monolithic character.

Tsekov Comments on Past Week's Events

944K2347A Simferopol KRYMSKIYE IZVESTIYA in
Russian 17 Sep 94 p 1

[Interview with Sergey Tsekov, chairman of the Supreme Council of Crimea, by N. Gavrilova; place and date not given: "The Law Is Above All!"]

[Text] [Tsekov] It was a very difficult week. Dramatic. These events shocked us, they were entirely unexpected. We had attempted to tally some things in advance, but our understanding was that the president does not have

the possibility on the legal or any other level to dissolve or suspend the activity of either parliament or the local councils.

When we were warned of this, we believed that Yuriy Aleksandrovich and his entourage would have sufficient commonsense not to take such steps—neither the internal situation nor the threat of the loss of Crimea's statehood permitted this: This would destabilize the situation and would not promote respect for us on the part of other states. But, unfortunately, Yu. Meshkov lacked either the experience or the knowledge—plus the fact that he was greatly "aided" by his entourage. He was unable either to analyze or forecast the situation independently and succumbed to emotions, without having tried particularly to understand what the Supreme Council had adopted.

Democracy means primarily order. What we proposed is by no means an infringement of the power of the president, it is simply an ordering of relations between the two branches of power, a more precise definition of the functions of each, the completion of a mechanism of the resolution of disputes.... All this should be viewed positively. But it was perceived in distorted fashion, unfortunately. We had to express a vote of no confidence in the government and demand of the president its resignation, which he still has to submit for the Supreme Council's approval.

[Gavrilova] That is, there has still been no resignation in practice? What will happen if the president refuses to present it?

[Tsekov] No, the resignation has not yet been received. If the president disagrees with us, we will in this case act according to the Law on the Government, to which we have given the first reading. According to the Constitution, we have the right to express a vote of no confidence in the government. Unfortunately, it is the imperfection of our legislation that has brought about this situation.

[Gavrilova] Let us be clear, can the Supreme Council as of this time announce the president's impeachment?

[Tsekov] If we proceed from current legislation, this cannot be done at this time: According to the Constitution of the Republic of Crimea, this may be undertaken only following the findings of a constitutional court, which we do not have as yet. We will wait until we have such, in any event.

[Gavrilova] So this will not be any time soon. How do you evaluate this time delay?

[Tsekov] As a positive aspect: This will afford both the president and the deputies an opportunity to think and calm down and to approach this question with a clear head. A continuation of the confrontation is possible on the part of the president, but we hope that he will, for all that, ponder what the Supreme Council has, in fact, been saying these four and a half months. Were his demands not illegal? Let him take all his edicts and directives and

all the decisions of the Supreme Council of Crimea, compare them, and apply to qualified independent lawyers and let him obtain their findings. It seems to me that if he does this, he will see that more than 50 percent of what he has promulgated is simply not accommodated by legislation of the Republic of Crimea. Ultimately, let his entourage suggest to him that there is already an understanding that it is necessary to live according to the law—whether some people like it or not.

[Gavrileva] Your forecast of the further development of the situation?

[Tsekov] We will now form a government, but we will approach this matter seriously, not as in the past—on emotions.

[Gavrileva] But the president will make the nominations, all the same?

[Tsekov] In this case I hope that we will work together with the president and we should incline him toward the belief that he should not impose his opinion on us. I believe that it is necessary to coordinate the candidacies not only of the vice premier but of the members of the government also—this will increase responsibility.

[Gavrileva] And how long will this take?

[Tsekov] We hope to negotiate this with the president in the next two or three days and to explain this situation to him. There is a solution. It is simply necessary to moderate ardor and personal ambitions somewhat. Please understand that it is not a struggle for property, as the press writes, but so that the Republic of Crimea live according to the laws—this is what is most important.

[Gavrileva] What do you think, has the past week thrown us back or will we somehow move forward because of it?

[Tsekov] I believe that we will move forward if the Supreme Council can show, all the same, that the law is above all. And, by and large, this is science not only for the Supreme Council and for the president but for the people of Crimea as a whole and for the leadership of the regions....

Local Councils Voice Opinions

944K2347B Simferopol KRYMSKIYE IZVESTIYA in Russian 17 Sep 94 p 1

[Unattributed report]

[Text]

Support for the Supreme Council

Bakhchisaray. In a special session the deputies deemed unlawful the edicts of the president of Crimea that led to the destabilization of the political situation on the peninsula.

In accordance with current legislation, the session confirmed the legal status of A. Taryanik, chairman of the executive committee and the council, and also of all deputies of the council.

An appeal to the leaders of farms and enterprises of all forms of ownership of the district that they be guided by the decisions of the local authority was adopted.

Stabilization Needed

Belogorsk. Having discussed the political situation that has taken shape in Crimea, the deputies believe that the conflict that has arisen between parliament and the president could have tragic consequences. A resolution, which reflected the fact that the Constitution is the basic law and that no one has the right to violate it, was adopted. The deputies hope that both sides will have sufficient sense to stabilize the political and economic situation in Crimea.

The executive committee of the Belogorsk Council of People's Deputies is continuing its activity in accordance with legislation of the republic.

All Efforts Into Preparations for Winter

Krasnogvardeyskoye Township. Having discussed the confrontation of the authorities that has arisen in Crimea, deputies of the district council supported the statement of Ukrainian President L. Kuchma and the Presidium of the Supreme Council of Ukraine on the "zero option."

The session appealed to the parties engaged in the conflict to display commonsense and to channel their efforts into the preparations for winter and the implementation of economic reforms. It was recommended that this issue be discussed at sessions of the village councils of the district.

Supreme Council Committees Oppose Shmarov Appointment

LD2009205194 Kiev UNIAN in Ukrainian 1750 GMT 20 Sep 94

[Text] Kiev—A UNIAN correspondent learned on 20 September that Ukraine's Supreme Council Committees for Defense and State Security and for the fight against corruption and organized crime have not confirmed Valeriy Shmarov as Ukraine's defense minister. Observers believe this will considerably impede his appointment to that post by the Supreme Council on 23 September.

Volodymyr Mulyava and Stepan Khmara, members of the Supreme Council Defense and State Security Committee, told UNIAN that Valeriy Shmarov failed to secure the support of their committee because he could not give clear answers to a whole number of questions, such as, primarily, the question of the contract, signed by Valeriy Shmarov, for the supply of two MiG-25RB aircraft to Azerbaijan's Army in exchange for Lada cars

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allegedly received from Baku. According to Stepan Khmara, Valeriy Shmarov's assertion that the aircraft were bartered for fuel needed by Ukraine does not conform to reality; he called Valeriy Shmarov "a criminal" and accused him of "the ruination of Ukraine's military industrial complex, the premeditated disarmament of Ukraine, incompetence, and dishonesty."

Interviewed by UNIAN, Hryhoriy Omelchenko, chairman of the Supreme Council committee for the fight against corruption and organized crime, underlined that "the aircraft affair is not the only misdemeanor of Shmarov's." His answers to the questions on Ukraine's nuclear disarmament, the Black Sea Fleet, and the situation in the military industrial complex did not satisfy the deputies either, said Hryhoriy Omelchenko.

Volodymyr Mulyava added that the Ukrainian Army is still ill-prepared for the appointment of a civilian defense minister. He said: "The duties to be performed by a civilian defense minister should first be conceptualized and analyzed."

Mykola Porovskyy, member of the Defense and State Security Committee, told UNIAN that appointing a civilian to the post of defense minister is "yet another experiment on the Army which it will simply not withstand." Mykola Porovskyy made an assumption that Ukrainian President Leonid Kuchma "might have Shmarov as acting defense minister without submitting his candidacy for parliamentary consideration, as it would suit him." Mykola Porovskyy added that he believes the parliament should hear a report on ex-Ukrainian Defense Minister Vitaliy Radetskyy's work, "as it is still unclear what he is to blame for and why he was dismissed from this post."

Rukh Demands Investigation Into Leader's Disappearance

AU2009202194 Kiev HOLOS UKRAYINY in Ukrainian 17 Sep 94 p 3

[Unattributed report: "Statement by Ukraine's People's Rukh"]

[Text] Delegates of the Fifth All-Ukrainian Conference of Ukraine's People's Rukh [Movement for Perestroika] and members of the Greater Rukh Council have adopted an appeal to Ukraine's Supreme Council in connection with the "factual suspension of the investigation into the case of the disappearance of [Rukh leader] Mykhaylo Boychyshyn." They demand that parliamentarians and Supreme Council Chairman Oleksandr Moroz immediately discuss at their session the course of the investigation, hear reports on the case by corresponding departments, and take the affair under their control, which has drawn public attention.

Kuchma Sets Up Council of Regions

LD2109083794 Kiev UNIAR in Ukrainian 2030 GMT 20 Sep 94

[Text] Kiev, 20 Sep—The president of Ukraine has set up the Council of Regions as a consultative and advisory

body. The council will include chairmen of oblast councils and Kiev and Sevastopol city councils, and the vice-premier of the Crimean Republic. The council will be headed by the president of Ukraine, with the prime minister of Ukraine as deputy head. Leonid Pidvalov has been appointed the council's secretary.

Kuchma Stresses Market Role at Exhibition

LD2009191994 Moscow ITAR-TASS in English 1856 GMT 20 Sep 94

[By UKRINFORM correspondent Sergey Balykov for TASS- UKRINFORM]

[Text] Kiev September 20 TASS—"There is no alternative to market. Everyone understands one cannot count on the state, the government has no money and people will have to survive on their own," Ukrainian President Leonid Kuchma told the opening ceremony of the Agroperspektiva-95 agricultural exhibition here today. The ceremony was attended by Ukrainian Prime Minister Vitaliy Masol, ministers and other officials.

The exhibition put on display the products of over 300 Ukrainian firms. It differs much from the 1993 agricultural show, and "I am glad to see the changes," said the president, who signed a decree on protection of the domestic market on September 19.

Today the Ukrainian state has a negative payment balance, said Kuchma. It will not be able to survive with this balance, and international credits are necessary to continue the reforms. Ukraine will work to find a common language with the International Monetary Fund but cannot fully accept its demands, said the president.

A major treaty with Russia is being elaborated, said Kuchma. It is still to be finalized but will be signed anyway, he added. Russia is a strategic partner of Ukraine, but the treaty will be signed with due account of Ukrainian national interests, said the president.

Smaller Grain Harvest Expected This Year

LD2009181694 Moscow INTERFAX in English 1503 GMT 20 Sep 94

[Text] According to the latest estimates, Ukraine will collect about 38 million tonnes of grain in 1994, a drop of 9 million tonnes from last year, a senior official at the Agriculture and Food Ministry Valentin Timoshenko told Interfax.

Experts said previous pessimistic forecasts that the crop would not exceed 34 million tonnes due to the drought have proved wrong.

Timoshenko said big farms were expected to collect 35 million tonnes of grain, including corn. Private family farms are expected to take in 3.5 million tonnes.

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The government has purchased 10.1 million tonnes from producers, which amounts to 71 percent of the contracted amount. Still this is 24 percent below the 1993 figure.

Controversy Over Currency Regulation Reviewed

WS2109073094 Kiev HOLOS UKRAYINY in Ukrainian 16 Sep 94 p 3

[Commentary by Serhiy Lavrenyuk: "Currency Regulation: Worse, but Better"]

[Text] The Ukrainian president has issued the edict "On Improving Currency Regulation." This issue has again been put on the Supreme Council agenda.

A Short Trip Into History

Over a year ago, the issue of debt for Russian energy sources arose in a very acute manner. This was the time when the idea of a fixed currency exchange rate was invented, which, according to V. Suslov, current chairman of the Parliamentary Commission for Financial Issues and Banking Activities, was to be regulated according to results of the currency exchange. In the first place, as we see it, there was no talk about full fixation. At that time, a resolution regarding this issue and methodology for changes in exchange rates was drafted (it was proposed that, while setting a new rate, previous results in the currency exchange should be taken into account to reduce the discrepancy). A resolution on the Ukrainian karbovanets' devaluation by the end of year was also drafted. Yet, what happened was not supposed to happen. The National Bank of Ukraine did not agree to gradual regulation of the exchange rate, and the rate was thus (temporarily) fixed for a long time. Certain people explained that Ukrainian National Bank Chairman V. Yushchenko was absent at that time, and his deputy V. Stelmakh, maintaining a negative position on this issue, sent a cable ordering the fixed exchange rate.

A battle was then waged.

How the Situation Was Further Developing

In the beginning, on the government's instruction, all accounts were kept by the Prominvestbank, meaning that there was no tender committee. [Former Acting Prime Minister] Yu. Zvyahilsky would personally decide, to whom and how much currency to give at the fixed rate. Certain people are claiming that, as a result of this, Ukraine's debt for Russian oil, gas, lumber, and nonferrous metals has decreased. According to other estimates, however, Ukraine has lost over \$1 billion since the introduction of the fixed exchange rate. This means that this figure represents a decline, which could have been avoided if there had been one exchange rate. Regarding the tender committee, it was established at the Ukrainian National Bank's proposal, and the reason behind its establishment was not an attempt to distribute hard currency in a more fair manner, but an attempt to

engage the currency exchange, having moved there the functions of currency distribution.

Last February, under pressure from businessmen, a new resolution was drafted, which envisioned gradual regulation of the currency exchange rate. According to the Economy Ministry estimates, the karbovanets' exchange rate against the U.S. dollar should have amounted to no less than 23,000 if exports were to become more or less profitable. At that time, even though the Ukrainian National Bank had already consented to gradually increase the exchange rate, the Finance Ministry believed that it would be easier to meet the budget in this way. Such a situation had continued until the edict was issued. Nevertheless, the fight for abolishing the fixed exchange rate did not stop. The Supreme Council also devoted a lot of time to this issue. As everyone recalls, 115 deputies once proposed that a session examine a draft law on currency regulation, which envisioned immediate introduction of one market currency exchange rate. V. Pynzenyk, while convinced that it was essential at that time to take this step, said, in particular, that two rates were simply leading to a loss of not only the Russian market, but also the Western one, in competition with Russian producers, and that corruption and tax evasion were flourishing, which was easy to do given the two exchange rates. V. Suslov, chairman of the Supreme Council Commission for Financial Issues and Banking Activities, who did not stand against the idea of the fixed exchange rate approaching the market one, suggested that this should be done gradually. In his opinion, quick introduction of one exchange rate would lead to severe price hikes and destabilization of the economy. According to Economy Ministry estimates, provided that the karbovanets exchange rate against the U.S. dollar was 46,000, prices would increase by 260 percent. Regarding embezzlements connected with the dual exchange rate, V. Suslov replied that they happen in all places where different prices are. It is therefore necessary to establish better controls.

Failing to adopt any decision, the session adjourned, and decided to return to this question in the fall. At that very time, the newly elected president appeared on the stage, who, as everyone knows, promised during the election campaign that if he was elected president, this issue would be resolved in the first instance. One had to wait, however, for this instance for quite a long time, since it proved that the president could not take such a step independently. As a result, following protracted negotiations with the prime minister, the Supreme Council Commission for Financial Issues and Banking Activities, the National Bank of Ukraine, and the Finance, Foreign Economic Activities, and Economy Ministries, the edict "On Improving Currency Regulation" was issued, which, according to V. Kuznetsov, chief of the Presidential Administration Economy Directorate, and A. Halchynsky, presidential adviser for macroeconomic issues, was a compromise.

Moreover, A. Halchynsky emphasized that, as a scientist, he would probably have agreed to one exchange rate

immediately, but one had to agree to a worse resolution, since there are currently forces in Ukraine, which do not want one currency exchange rate. He also cannot agree to the statements that immediate introduction of one currency exchange rate will lead to a new wave of inflation, price hikes, a decline in production, bankruptcies of enterprises, and unemployment.

Will the edict not prove to be a candy, given to a child to calm it down for a while? Let me recall its main provisions. First, it declares that the regulated and market currency exchange rates will gradually approach one another. However, the following question immediately arises here: If the intention to bring the exchange rates closer together is firm, why was A. Halchynskyy's proposal to amend the presidential edict by adding the maximum coefficients of difference between the regulated and market exchange rates not taken into account? Instead, it includes a quite vague wording saying that the official currency exchange rate is set within the framework defined by the National Bank of Ukraine at the Finance Ministry's consent, and taking into account the domestic inflation rate, the volume of money issues, and the state of Ukraine's payment and trade balances. Additionally, the edict envisions reorganization of work of the tender committee for the duration of the two exchange rates, and currency purchased at the official rate is to only be used in several directions such as purchases of oil, gas, lumber, nonferrous metals, pharmaceuticals and repaying of foreign debt. Severe accountability is envisioned for violations. It is also planned to resume activities of the Ukrainian interbank currency exchange on 1 October and continue the work on decentralization of the currency market. The edict envisions new distribution of 50 percent of the currency which is now subject to obligatory sale—30 percent will be sold at the fixed exchange rate, 10 percent will be purchased by the Ukrainian National Bank at a price set at auctions, and 10 percent will be sold on the interbank currency market at the market price. Thus, from now on, enterprises will sell only 30 percent of their currency at the fixed exchange rate.

In the opinion of specialists, the edict is worse than they have expected, but better than the previous one. It is quite possible, however, that its compromise nature will not prove to be true. As everyone knows, the basic argument against immediate introduction of one exchange rate was a fear that it would instantly affect prices, and the industry would thus be brought to its knees, which could spark social unrest. Still, the paradox lies in the fact that even gradual introduction of one exchange rate does not guarantee success, and it is thus possible that the predicted unrest will simply be delayed. So, will the presidential edict have any effect, all the more so since an attack on this half-resolution has already been launched? For instance, certain people are stating that the edict will affect the exchange rate, triggering a dramatic decline in the karbovanets' exchange rate against the U.S. dollar. However, the edict "On Improving Currency Regulation" did not address the following issue: The exchange rate is basically affected by anxious expectations of price hikes and transformation of money issues into cash. In the near future, bread prices will also affect it, since, judging from all the signs, this issue will again be resolved this year by granting subsidies.

How Will the Situation Develop?

Obviously, one will be able to detect certain progress with regard to the issue of bringing the official and market exchange rates closer together. Specialists believe, however, that those three months will last for a very long time. Moreover, as I have already said, this issue is to be examined at the Supreme Council session. If such a debate is held, its course can already be predicted today, since all the participants stick to their positions. V. Pynzenyk, at least, has stated these days that if it comes to a debate on this issue, the "Reforms" deputy faction will insist on the draft legislation, which was submitted for consideration by the 115 deputies. It may happen, however, that the Supreme Council will decide to wait three months and see how L. Kuchma's edict "On Improving Currency Regulation" is implemented.

Belarus**Government To Join GATT by End of 1994***LD2009180694 Moscow INTERFAX in English 1354 GMT 20 Sep 94*

[Text] By the end of 1994 Belarus will join the General Agreement on Tariffs and Trade, the Minister for Foreign Economic Relations Mikhail Marinich told a news conference in Minsk. He said his country has the status of an observer in the organization at the moment.

Marinich believes GATT membership will boost Belarus' trade.

Marinich said his ministry will concentrate its efforts on strengthening trade with members of the former Council for Mutual Economic Assistance, primarily in East Europe.

Lukashenka on Crisis Program, Russian Debt*WS2109082694 Minsk BELAPAN in English 1600 GMT 20 Sep 94*

[Text] On September 20 evening, President of Belarus Alyaksandr Lukashenka held a press conference. Touching on the program of urgent measures for going out of crisis the president pointed out that the program was practically ready and would be submitted as a message to MPs for consideration at the forthcoming session of the Supreme Soviet. According to him, the parliament has the right to debate the program, to carry a resolution on it, though he does not insist on this. Besides the program, the President intends to submit to the Supreme Soviet his proposals for the establishment of bodies of presidential power in provinces. According to the president, the bodies are to take the place of the present executive committees of local soviets of people's deputies. The president did not rule out the possibility that the proposals would not meet with approval from the Supreme Soviet. In this case, according to A. Lukashenka, the resources that are allotted from the budget for the development of regions will be addressed to the special bodies headed by the plenipotentiaries the president will appoint in provinces, not to the present local authorities.

Speaking about the problem of debts to Russia for gas and oil A. Lukashenka declared that he would ask Russia's leaders for a deferment in paying the debts. He expressed confidence that in the future the debts would be paid off. The necessary resources for this will be taken, in particular, from foreign credits, in the first instance, from the credits the International Monetary Fund promised to the amount of \$700 million. A. Lukashenka rejected the possibility of paying the debts by means of transferring a part of Belarus' property to the possession of Russia.

The president declared again that he would not initiate pre-term elections to the Supreme Soviet. He also

pointed out that he had no intention to hold referendums on any questions, including a referendum as regards the nation's attitude towards the reforms he carries out. Such a referendum, according to A. Lukashenka, may be arranged two years after he holds the post of president.

Speaking about his personnel policy the president pointed out that there were a lot people capable to rule the state in the country but "before one or another person is appointed to a post in the Cabinet of Ministers or the president's administration they should be subject to thorough examination on their participation in illegal actions". As a result of such examinations, many candidates are dropped out.

A. Lukashenka informed journalists that two weeks ago he had insisted on intensifying the inquiry into the murder of Dzmitryy Artsymenya, chairman of the Hrodna Regional Soviet of People's Deputies.

Lukashenka To Put Private Trade 'On Equal Terms'*WS2109110894 Minsk BTK Television Network in Belarusian 1800 GMT 17 Sep 94*

[Report by U. Darashevich and V. Khaytsin]

[Text] The 4th Assembly of Business Circles of Belarus was held in the House of Trade Unions in Minsk today. Participants in the meeting discussed the strategy of economic reforms in the Republic. This forum was organized by over 30 unions, associations, amalgamations, enterprises, as well as financial, insurance, and trade organizations. The assembly was attended by scientists, experts, heads of ministries and departments, and representatives of international credit and monetary organizations. They examined the questions of social partnership, budget and tax policy, financial and investment activities, privatization, the development of entrepreneurship and small business, a systematic concept of economics, and many other issues.

The Assembly of Business Circles of Belarus was addressed with a report by Belarusian President Alyaksandr Lukashenka. The head of our state noted in particular:

[Begin Lukashenka recording, in Russian] We will soon regulate your activity in the sphere of commerce and trade. We will regulate. I am not saying that we are going to cut someone out. I will simply remind you of my election platform, which should have forced you to stand for Lukashenka like a stone wall instead of endorsing certain other candidates. I have said that we are not going to close down kiosks, as someone declared some time ago. We are not going to bust businessmen, but only put them on equal terms with state forms of trade. We will create equal conditions in which you can compete. Compete! [applause] Win! People presiding over this session—your assembly and ours—keep asking me: How could you say so? State trade will disappear if you put us on equal terms. It makes no difference to me what kind

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of trade we have—state or private. The main thing for me, as a politician, is if those 82 percent of the people say thank you to Lukashenka after five years and reelect him for a second term. [applause]

The most essential thing, which I should state here unequivocally, and you should help me to do this in your own interests, is that we are going to completely deliver you from state racketeers. I simply swear to you that I will do this. [applause] [end recording]

Bank Chairman Reports High Demand for Dollars

WS2109085494 Minsk Radio Minsk Network in Belarusian 0300 GMT 21 Sep 94

[Text] Full dollarization of the economy has been carried out in the Republic, National Bank Chairman Stanislaw Bahdankevich has stated. According to Belarus' chief banker, as of 1 September 1994, the volume of enterprises' hard currency accounts amounted to 50 percent of the volume of Belarusian rubles in circulation. To protect their money against inflation, enterprises often sign fictitious contracts, purchase hard currency, and deposit it in bank accounts. Due to this reason alone, demand for the U.S. dollar is exceeding supply by more than \$10 million. The National Bank does not have efficient hard currency reserves to balance supply and demand, and thus stabilize hard currency exchange rates. Bahdankevich expressed hope that this problem will be resolved with the help of a presidential edict envisioning full compensation for enterprises' hard currency deposits, which have simply purchased hard currency as a means of accumulation, and not as a means [words indistinct].

Briefing Held on Small Privatization Progress

WS2109082494 Minsk BELAPAN in English 1600 GMT 20 Sep 94

[Text] A press conference on the occasion of the first anniversary of the beginning of small privatization in Belarus was organized on September 20 by the Ministry for State Property Control and Privatization, and the International Financial Corporation (IFC). Among the participants of the press conference there were deputy minister for state property control Kazimir Ramanowski, chief of the IFC project for small privatization in Belarus and Ukraine Stephanie Miller, chief of the department for municipal property control at the Brest-City executive committee Viktor Valyushitski.

Since May 1993, on the invitation of Belarus' government and with financial support by the U.S. Agency for International Development, the IFC—an independent member of the World Bank group—has been rendering technical assistance to Belarus in carrying out small privatization. The city of Brest was chosen as a place for the implementation of the IFC "Small Privatization in Belarus" project. The process of small privatization is carried out there by means of arranging open auctions

for the sale of municipal establishments. Since September last year, 7 auctions were held in the city, 46 out of 83 lots were sold, thanks to this, the city treasury was replenished with a sum equivalent to 1 million U.S. dollars. After the project proved to be a success in Brest, at the request of Belarus' government the IFC began to arrange such auctions in Hrodno. The corporation is holding talks on cooperation with other cities in Belarus.

Within a year there were 12 auctions in the country, 87 establishments worth over 4.5 billion Belarusian rubles were sold. The resources were used for the development of the social infrastructure of cities.

According to S. Miller, if the circumstances are favorable, the Small Privatization in Belarus project may be completed in a year.

Lack of Enthusiasm for Vouchers Noted

WS2109082594 Minsk BELAPAN in English 1600 GMT 20 Sep 94

[Text] As a BELAPAN correspondent was informed at the Ministry for State Property Control and Privatization, by September 15, 1,878,480 people, i.e. 23.7 percent of those who have the right to inscribed privatization cheques (IPC), sent in applications for receiving IPC. IPC certificates were given to 306,062 people only (3.2 percent).

Lack of the population's enthusiasm caused low market prices for privatization cheques—a cheque goes for 500-600 rubles. In experts' opinion, prices for the cheques will form at a level of 2,500 rubles, as it was supposed, if the dates of completion of distribution of IPC certificates and circulation of the cheques are fixed and declared.

EU Grants Credit for Telecommunications Upgrade

MM2109085894 Moscow ROSSIYSKAYA GAZETA in Russian 17 Sep 94 First Edition p 6

[ITAR-TASS report under the "In Brief" rubric: "Communications Workers Have Tender"—from the SOVETSKAYA BELORUSSIYA feature No. 4]

[Text] The Republic of Belarus has obtained credit amounting to 30.4 million European currency units from the European Bank for Reconstruction and Development to finance an international communications project.

The project envisages improving the quality of and providing access to electronic communications services by laying a total of around 1,300 km of international and intercity optical-fiber communications lines, employing synchronous transmission systems equipment.

New Vice Premier Myasnikovich Interviewed

MM2009150194 Moscow ROSSIYSKAYA GAZETA in Russian 17 Sep 94 First Edition p 6

[Interview with Mikhail Myasnikovich, Belarus' vice premier, by Igor Filipenko, date and place not given: "I Am Not Going to Cast Aspersions on My Predecessors"; Interview carried in the SOVETSKAYA BELORUSIYA supplement, Edition no. 4]

[Text] Naturally, readers are interested in the people who have joined the new Belarusian Cabinet of Ministers. Today we talk to Vice Premier Mikhail Myasnikovich.

[Filipenko] Mikhail Vladimirovich, in the previous government your duties included among other things responsibility for links with the IMF. Some regard your work highly, others consider that you did irreparable harm to Belarus' reputation in the IMF's eyes by inconsistency and deviations from programs already agreed...

[Myasnikovich] I do not agree that we ruined our reputation. The fact that Mr. Camdessus, the IMF's managing director, visited the republic in the new president's very first week in office speaks for itself. International organizations have very great interest in Belarus.

There is another explanation as to why our relations have cooled somewhat. It is all to do with the question of the unification of currency systems. If we join the ruble zone we will cease to be of interest to the IMF. The IMF's representatives were quite forthright about that.

[Filipenko] After the Moscow meeting can the idea of the unification of the currency systems be considered dead and buried?

[Myasnikovich] For some reason Europe is obsessed with this idea right now. I believed and still do believe that in our relations with Russia we should strive for the status of a free-trade zone with elements of a customs union. As for access to Russia's financial markets, that is too difficult for an economy such as ours at the moment. Capital works more actively over there and the rules of the game are stricter, including with regard to non-cash emission.

[Filipenko] What prevented the Kebich Government from embarking on reforms? Did it lack the political will? Or was it hypnotized by the financial unification with Russia?

[Myasnikovich] I am not one to cast aspersions on my predecessors. As before, I am convinced that macroeconomic and financial stability and structural changes in the economy must be the main conditions for implementing the reforms.

Can we achieve stabilization by, for example, "pumping" worthless money into the economy? There is sowing to be done—so you print money. Then you have to

harvest—so you print money. All the stabilization measures designed to achieve so-called social peace and to maintain the agrarians have failed. Of course, that is not the fault of the farmers. They were crushed by purchase prices imposed by means of directives.

[Filipenko] Can the preconditions for the reforms be created today? I am referring to financial stabilization again.

[Myasnikovich] We have finally reached a decision on prices—they will be free.

[Filipenko] Absolutely free? Or will the government try to prevent their uncontrolled growth?

[Myasnikovich] In a monopolistic economy price control can never be lifted. I tried to find out from the agrarians, for example, how many tractor-hours it takes to produce a tonne of milk. It was very difficult to obtain a definite answer. But I know why they are saying nothing. Let me give you the following figures: In the first six months of this year GDP fell by 31 percent but at the same time electricity consumption fell by only 14.2 percent. Wastefulness continues as before.

The department for prices is now monitoring price formation. How prices are formed and what goes into them. We are not setting a profitability norm as such but we are monitoring the situation to ensure that people do not make superprofits and that prices do not exceed a reasonable level.

[Filipenko] And the government does not intend abandoning that instrument at the moment?

[Myasnikovich] We will abandon it when we have created a competitive environment. Which will also require structural changes.

[Filipenko] The president has promised to allow enterprises to develop without restraint. By all accounts it will be your job to implement that task within the framework of concrete economic decisions. Do you have any ideas as to how that will be achieved?

[Myasnikovich] I see the government's main function as to create favorable conditions for trade in the broad sense of this concept. The Belarusian [Belorusskiy] economy's main problem today is not to do with raw materials, components, or even credits. The main problem is sales. We are losing our traditional markets in Russia, Ukraine, and the Baltic. The government's task is to stimulate those sales and encourage the joint flotation of enterprises. Once again we are coming to the conclusion that there must be an active program of denationalization and privatization. In Russia many enterprises have the status of joint-stock companies, either private or owned by the people [narodnyy]. Belarusian state enterprises are no longer an interesting partner for them.

[Filipenko] How does the government intend making Belarusian output more competitive?

[Myasnikovich] First of all we must examine the level of prices, quality, and reliability of output.

Major changes in tax policy are not anticipated before the end of the year. The government is using the power given to it by parliament to adjust value-added tax and excise duties if goods do not sell well. As for quality, it is clearly necessary to make the producers more accountable for that. And we will do that!

[Filipenko] But it was that very application of tax policy was criticized when it was used as an emergency measure.

[Myasnikovich] The Finance Ministry must work out the optimum level of taxes so as to combine the interests of the state (boosting the budget) and the interests of commodity producers. Where is that golden mean? The government will consult with the Belarusian Scientific Industrial Association and associations of entrepreneurs.

Popular Front Urges Democratic Election Bloc

WS2109084594 Minsk SVOBODA in Belarusian 13-19 Sep 94 p 4

[Report by Vera Chuyko: "Popular Front Advocates the Idea of a Bloc of Independent Democratic Forces"]

[Text] A regular September session of the Belarusian Popular Front [BNF] Assembly [Soyuz] was an expanded one—it was attended by representatives of BNF local councils and affiliates.

The current situation was analyzed by assembly member Valyantsin Astashynski. He stated that the last two months testified to the fact that the president has no team and no program. The only practical steps taken by the president were the increase of prices and currency reevaluation. Lukashenka was twice seen on live domestic television programs and gave an interview to Russian television, which won no prestige for Belarus. As a result, insulting articles have appeared in Russian newspapers.

Lukashenka's supporters and the leading nomenklatura, preparing for upcoming elections, began to form and legalize their movements and parties. It is obvious that the task of unifying all forces of independent democratic orientations is urgent as never before, Astashynski noted.

BNF Chairman Zyanon Paznyak touched once more upon the results of the presidential elections, stating that the basic factors underlying them were the economic crisis, the lack of social consciousness, Lukashenka's populism, and the short election campaign. The BNF succeeded in affirming the positive and constructive aspects of its program, Paznyak said.

The tactic of restraint, which was adopted by the BNF after the elections, bears its fruits, too. It was necessary to allow the "new" political force to show itself. The

demonstration of its helplessness proves that its economic policy will collapse. At the same time, the disturbed society, while looking for answers for day-to-day questions, recalls the BNF ("What has become of the BNF? Why are they silent?") and becomes more interested in the BNF shadow cabinet.

Because of Chernobyl, Belarus is in an extremely critical situation, Paznyak recalled. Therefore, both the policy and economy should be oriented toward helping the nation survive. In the first place, the nation should depend on its own resources. Our slogans are: a European national state, the nation, the people. Our future lies on the path to Europe, where Germany is our priority in foreign relations.

Paznyak noted that the BNF remains in opposition to the current regime because the regime has not changed. Relations with the president may be constrictive in that area which concerns the strengthening of statehood and combating corruption.

BNF Deputy Chairman Yury Khadyka returned to the analysis of election results. We have proven that the BNF is the most influential force. The countryside voted against Kebich due to BNF's many years of work, which can be regarded as one of BNF's successes. We have awakened the countryside, but failed to offer it a positive program. The elections, in general, were emotional. Lukashenka profited from his "struggle" with corruption and his promise to take revenge on social conservatism. Now Lukashenka is trying to convince people that he won due to his position with regard to relations with Russia. Kebich, however, who also placed his stakes on Russia, failed. Therefore, there are no grounds for believing that the BNF's stance with regard to Russia was an obstacle in the elections.

Khadyka emphasized that parties of independent democratic direction should form a coalition not only for the preelectoral period, but also for the entire period of activities of the next Supreme Soviet.

Viktor Ivashkevich, member of the BNF Assembly and secretary of the BNF Executive Committee, determined BNF's tasks while preparing for the elections. Until the end of September, it is necessary to complete the lists of candidates for legislative seats, to begin drafting local preelectoral programs, to create BNF's sections at every housing management and rural soviet, and to raise financial means for safeguarding the campaign. The preparations must focus on elections, both to the Supreme Soviet and local soviets which, as is known, are to form its executive committees. Power at the local level will allow the BNF to acquire a new political quality and provide different possibilities for implementing the BNF program with regard to a national and cultural revival, as well as the expansion of information policy.

Vintsuk Vyachorka, member of the BNF Assembly and secretary of the BNF Executive Committee, outlined BNF's future electoral platform. The BNF does not

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intend to vie in populism with Lukashenka, especially since the disappointment with populist leftist slogans of the current leadership will inevitably grow. The division between independent and pro-Russian forces will become deeper. The BNF must remain true to itself and reinforce its policy of nation building once more, while not "making excuses for its nationalism."

During the last elections, we managed to cast a new image of the BNF as a force capable of bringing together intellectuals and experts. It is obvious for the people of independent opinions that the BNF is the only real force capable of implementing sanitary radical reforms. We should take this into account while drafting our general election platform and election platforms of particular candidates, Vyachorka noted.

The BNF Assembly adopted an appeal which states in particular:

"The elections to a new Supreme Soviet and local authority bodies will be very important for the process of strengthening Belarusian independence and creating a democratic law-governed state.

"The BNF Assembly thinks that a split in national democratic forces is inadmissible at this historically crucial moment, and proposes to the leadership of the Belarusian Social Democratic Assembly, the Belarusian Peasant Party, the United Democratic Party of Belarus, the Party of People's Accord, the Belarusian Christian Democratic Union, the National Democratic Party of Belarus, and other social and political organizations, which share the principles of independence, democracy, and revival of national culture, to examine the possibility of creating an electoral bloc to defeat the forces of communist and imperial revenge at all levels of representative power."

The Assembly also approved the leadership of the BNF Electoral Committee by Professor Khadyka.

Moldova

Agreement Near on Russian Troop Withdrawal

LD2009204494 Moscow INTERFAX in English 1638 GMT 20 Sep 94

[From the "Presidential Bulletin" feature: Nikolai Zherebtsov, Andrei Petrovsky; Edited by Vladimir Shishlin]

[Text] President Mircea Snegur has confirmed to Interfax that Moldova and Russia are due to sign an agreement early next month to have Russian troops withdrawn from Moldova's territory.

Snegur on Monday had a meeting with the secretary general of the Council of Europe, Daniel Tarschys, and the acting chairman of the organization's Committee of Ministers, Bulgarian Foreign Minister Stanislav Daskalov, who had come to Moldova for a visit. Snegur

described the meeting as a final check to find out whether the former Soviet republic was ready to join the Council.

He said that during it he suggested looking for ways to enable a mission of the Conference on Security and Cooperation in Europe (CSCE) today working in Moldova to put pressure on the separatist leaders of the republic's province of Transdnistr, "because it is their fault that relations between Moldova and Transdnistr have been uncertain for such a long time." "Although it's better to have this state of affairs for another year than a (new) armed conflict," he added.

Earlier on, Snegur suggested resuming quadrilateral talks on the issue by Moldova, Russia, Romania and Ukraine.

A meeting between Moldovan and Transdnistr experts to draw up a status for the breakaway province, originally scheduled for September 15, has been put off till September 28, the Russian president's special envoy Vladlen Vasev told reporters.

Vasev, who, along with CSCE mission leader Richard Samuel, mediates Moldova's negotiations with Transdnistr, said a compromise between the two sides was still a long way down the line.

"But I have a sense of normal optimism and hope the sides do come closer together after all," he told Interfax.

Tarschys said pullout of the Russian 14th Army from Moldova was not a necessary condition for Russia's membership in the Council of Europe. He told a news conference in Kishinev that a Council delegation, during a recent visit to Moscow, commended Russian-Moldovan troop withdrawal agreements. "But in general each sovereign state must independently decide whether it wishes to have any foreign troops on its territory or not," he summed up.

Tarschys qualified Transdnistr, which has unilaterally proclaimed itself a republic, as an absolutely illegal political formation. But sanctions against it can only be declared by the U.N. Security Council and to some extent the CSCE, he said.

Tarschys said the results of his and Daskalov's visit to Moldova would be of great help to the Council of Europe in deciding whether to grant membership to Moldova.

Leadership 'Satisfied' With CIS Meeting

AU2009065294 Chisinau BASAPRESS in English 1900 GMT 16 Sep 94

[Text] Chisir.au, BASAPRESS, 16/9/1994—"The Moldovan leadership is satisfied with the results of the recent reunion of the CIS premiers who proved the deepening of the economic integration within the CIS which is Moldova's main way out of crisis," told BASAPRESS Iacob Mogoreanu, Moldovan permanent representative to the CIS statutory organs. Commenting on Chisinau's refuse to discuss military-political issues, Mogoreanu

mentioned that Moldova is not prepared for civilized forms of such activity as it lacks a military doctrine and a juridical foundation for the armed forces. He said that Moldova has only recently adopted the Constitution and it is at the beginning of consolidating its statehood. Mogoreanu said it is unlikely that Moldova will change its attitude toward this issue. "As to the Moldovan delegation's approval of the principles of a joint foreign policy, this does not contradict Moldova's general position. Moreover, it does not mean that the CIS countries' attitude toward certain European issues will necessarily contradict the European Union's one," said Mogoreanu. He mentioned this should not create the dissatisfaction of the international community since there are international organizations worldwide and the CIS is one of them. "The West should be satisfied with the Soviet republics which did not start fighting between them like in ex-Yugoslavia. Instead, they found concrete ways of cooperation," added Iacob Mogoreanu.

Group Protests Dniester Persecution of Schools

*AU2009150394 Chisinau BASAPRESS in English 2000
GMT 17 Sep 94*

[Text] Chisinau BASAPRESS, 17/9/1994—The Helsinki Committee for Human Rights from Moldova and "Dniester" Cultural Society made today an appeal to the international community regarding the actions of the Dniester authorities against Moldovan schools in Dniester. "We are concerned that Moldovans, who represent 40 percent of Dniester population, account for 20 percent of all schools, while Ukrainians representing 28 percent, 0.5 percent of schools. However, Russians who represent 23 percent of the population account for 77 percent of all schools and thus de-nationalization is

aggravating," states the appeal. Referring to the problems faced by the Moldovan schools in Rabnita, Tiraspol, Tighina, Dubasari, Carjeve and Roghi since the beginning of the new academic year, the appeal addresses international organizations to counteract the discriminating actions of the Tiraspol authorities. The Helsinki Committee for Human Rights from Moldova and the "Dniester" cultural society believe that Russia must be influenced to make it stop cooperating with, and morally and financially supporting the so-called Tiraspol authorities that neglect international norms on human rights.

Tiraspol Bars 'Teleradio' Reporters

*AU2009151694 Chisinau BASAPRESS in English 2000
GMT 17 Sep 94*

[Text] Chisinau BASAPRESS, 17/9/1994—Even after the annulment of the emergency state decreed by the Dniester president, it is very difficult for the reporters of the "Teleradio-Moldova" Company to enter Dniester. Two days ago, Dniester border-guards did not allow the reporters of the "Epicentrul" TV program to enter Tiraspol, BASA learned from the "Teleradio-Moldova" company. The border guards said to the reporters that they follow the orders of the Dniester security minister Vadim Shevtsov. According to them, all Chisinau journalists who want to make reports on Dniester should contact "the representatives of the Dniester republic in Chisinau." Moldovan officials relay that there are no such representatives. BASA learned from some local Dniester officials that the border guards were ordered to stop all cars with Moldovan official license numbers. Dniester automobiles can freely move on all Moldovan roads.

Kazakhstan

Polish Delegation Signs Economic Accords

LD2109092994 Warsaw Radio Warszawa Network in Polish 0900 GMT 21 Sep 94

[Text] The Polish delegation headed by Prime Minister Waldemar Pawlak has signed several economic agreements with the Government of Kazakhstan. Poland will grant credits to Kazakhstan amounting to \$30 million to facilitate purchases of Polish goods. During the meeting with the Kazakh prime minister, participation of Polish specialists in work to modernize Kazakh railways was discussed.

Later today, Prime Minister Pawlak will meet representatives of expatriate Poles. According to the head of the Polish Government, the rapid return of 70,000 Poles currently living in Kazakhstan to their homeland would be disadvantageous to both sides.

President To Tour Italy, Saudi Arabia

LD2009204794 Moscow ITAR-TASS in English 1650 GMT 20 Sep 94

[Text] Alma Ata [Almaty] September 20 ITAR-TASS—Economic cooperation will be high on the agenda of President Nursultan Nazarbayev of Kazakhstan's four-day visit to Italy and his subsequent three-day tour of Saudi Arabia.

In Italy, where Nazarbayev is due to arrive on Wednesday, he will hold talks with President Oscar Scalfaro and Prime Minister Silvio Berlusconi. He also plans to meet Pope John Paul.

After signing bilateral documents, Nazarbayev is expected to address representatives of the Italian business community.

On Sunday, Nazarbayev will arrive to Saudi Arabia to meet King Fahd, secretary-general of the Islamic Conference Organisation Hamid al-Gabid and secretary-general of the Council of Cooperation of the Gulf States Fahim al-Kasim.

The Kazakh president will also hold talks with the leaders of the country's chamber of commerce and industry, and of Aramco company, and meet representatives of some leading industrial groups of Saudi Arabia.

The foreign ministers of the two countries will sign agreements on cooperation in the trade, economic, investment, technical and cultural spheres, in sport and youth affairs.

President Nazarbayev and his wife will make a hajj to Mecca.

Nazarbayev: Eurasian Union Meets CIS Interests

LD2009205394 Moscow INTERFAX in English 1636 GMT 20 Sep 94

[From the "Presidential Bulletin" feature: Nikolai Zherebtsov, Andrei Petrovsky; Edited by Vladimir Shishlin]

[Text] Only Eurasian integration meets the interests of all CIS states, President Nursultan Nazarbayev told the delegates of a conference who met to discuss the concept in Almaty on Tuesday. He believes this is the only way of averting a final collapse and the only safeguard against any geopolitical or social upheavals.

Nazarbayev stressed that the integration concept would be implemented because there was no other alternative. But the question is not one of resuscitating the former Soviet Union by force. "The idea's strength stems from the ground reflecting the people's mood", he said.

Nazarbayev maintained that the idea of forming an Eurasian Union (EAU), unveiled in April, has enlisted support by prominent politicians of Russia, other CIS states and more remote countries. He said the number of conservative groups rejecting the idea was insignificant and called to put it up for national referendums and parliamentary discussion.

Nazarbayev also proposed that an Integration Fund be set up to promote and implement the concept with himself in charge. One of his other proposals provides for the establishment of a European University designed to resolve methodological and organizational tasks relating to the foundation of the EAU. The university and its headquarters can be set up in Almaty with its branches being opened in other CIS states, according to Nazarbayev.

The EAU concept, he said, has reinvigorated the integration process within the Commonwealth. One of its main provisions, Nazarbayev went on to say, the creation of a CIS economic committee, was initiated by CIS heads of states in September. He also stressed that the proposed paper on the EAU was put on the agenda of next month's CIS summit, but it can also be discussed by the interparliamentary assembly.

The forum in Almaty involves about 150 representatives of parties and movements of Russia, Ukraine, Kyrgyzstan, Armenia, Tajikistan, Azerbaijan, Georgia and Lithuania as well as of the CIS executive secretariat. However, Uzbekistan and Turkmenistan are conspicuously absent.

It is now known that the conference will appeal to CIS heads of state to undertake steps for the creation of a workable co-operation machinery by using the potential of the EAU concept and other integration projects.

IF Note: The round table conference held the day before involved head of the Federation Council's budget committee Nikolay Gonchar, leader of the Russian communist party Gennadiy Zyuganov, member of the Gorbachev Fund Aleksandr Tsyenko, head of the State Duma's committee for CIS affairs Konstantin Zatulin and former Soviet Prime Minister Nikolay Ryzhkov, all of them of Russia, and many others. The conference was presided by Marat Tazhin, head of the Kazakh president's information and analytical center.

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Kyrgyzstan

International Tourism Seen as Prime Growth Sector

LD2009144594 Bishkek Kyrgyz First Program Network in Russian 1300 GMT 19 Sep 94

[Text] International tourism is to become the leading area in Kyrgyzstan's economy, Kyrgyz Deputy Prime Minister Osmon Ibraimov has announced. The realignment of economic priorities came out of a proposal produced by an adviser to Kyrgyz President Askar Akayev, the well-known Japanese financier Tanako Kamedo. According to him, agriculture is to take second place and hydroelectric power production only third place.

The European Bank for Reconstruction and Development shares this view. The bank is to grant \$10 million as an initial credit for Kyrgyzstan to implement a program for developing international tourism, a bank representative, project manager Oliver Bamlet, said. The credit funds will be channelled into developing not only tourism facilities but also related services for foreign guests. Oliver Bamlet noted that every business project submitted by the individual state tourism enterprises will be allocated amounts ranging from \$50,000 to \$2 million.

It is still not too late for entrepreneurs to participate in the EBRD investment process. Their projects and business proposals will be decided on by the specially established department for foreign investments within the State Committee for Tourism.

Tajikistan

Rakhmonov: Discussions With Russian Envoy 'Frank'

LD2109110894 Dushanbe Radio Tajikistan Network in Russian 0537 GMT 21 Sep 94

[Text] Supreme Council Chairman Emomali Rakhmonov, the head of state, has received Albert Chernyshev, Russian deputy foreign minister. They conducted a frank exchange of opinions relating to the situation in the region, specifically Tajikistan, in the light of the recently signed Tehran agreements on a temporary cease-fire and a cessation of other hostilities, especially on the Tajik-Afghan border and inside the country. They also discussed coordination and interaction between the sides in the international arena, as well as the development of Tajik-Russian cooperation as a whole.

Turajonzoda Voices Satisfaction With Peace Talks

LD2109105494 Dushanbe Radio Tajikistan Network in Tajik 0400 GMT 20 Sep 94

[Text] [Haji Akbar] Turajonzoda [Tajikistani Islamic opposition member] has acknowledged that some time

ago the opposition supported military methods as the way to solve the Tajik problem, since they could see no other prospect in view. However, everyone now understands that the events which are taking place in Tajikistan are a tragedy - a national tragedy and an Islamic tragedy. Only the cessation of bloodshed can safeguard the country's national sovereignty and territorial integrity.

Turajonzoda expressed his gratitude to Iran and Russia for their mediatory efforts. In an interview to an ITAR-TASS correspondent Turajonzoda stressed that the opposition is satisfied with the results of the talks. This is an important step toward a political settlement, he said. It is important because too much blood has been shed. As the representative of the Islamic movement put it, the negotiations were difficult. Three days were spent on one issue alone - resolving the problem of releasing prisoners of war and political prisoners.

He noted that the both sides have realized that it is impossible to go forward without making compromises.

He ruled out the possibility of the opposition participating in the forthcoming elections and referendum, repeating the known proposal for the formation of a neutral interim government which would prepare the ground for truly independent elections.

Russia's deputy foreign minister also made a speech at the document-signing ceremony. He voiced hope that the results of the Tehran consultations would open the way to a complete settlement to the problem of democratization and economic reconstruction in Tajikistan.

Oppositionists Killed in Continued Fighting

LD2109080394 Moscow Mayak Radio Network in Russian 0425 GMT 21 Sep 94

[Excerpt] Dushanbe is on the line to the Mayak Panorama. We have Mayak correspondent Alisher Khodzhaev on the line.

[Khodzhaev] Good morning. Unfortunately my latest report is more like a military report. In the mountainous Tavildarinskiy rayon, military actions are continuing between the government troops and the opposition detachments, of which there are some 12. According to information from the Defense Ministry Press Center, 30-40 percent of the groups' members are mercenaries.

As a result of three attacks staged by the First Battalion of government troops near the Khayrabad Pass, the opposition combatants have left 20 dead. Two recoilless guns, five grenade launchers, and firearms were captured. The attacking side suffered 1 dead and 1 wounded.

Just as before it is not calm in the direction of the Soligorskiy rayon on the Tajik-Afghan border. That is the operation zone of the Moskovskiy Frontier Detachment.

Here attempts by armed groups of varying numbers to infiltrate Tajikistan from Afghanistan do not stop, even for a day. Russian and Tajik border guards are managing to rebuff these attacks by the joint actions, a price of very great efforts and losses. [Passage omitted]

Two 'Militants' Killed in Border Clash 21 Sep

LD2109064594 Moscow Mayak Radio Network in Russian 0600 GMT 21 Sep 94

[Text] This morning Russian border guards spotted a group of up to 10 Tajik militants on the territory of the 7th border post of the Khorog border detachment. The group was crossing the Pyandj River on a raft. Two infiltrators were killed and four wounded in an exchange of fire. The others went back to Afghanistan. No casualties among Russian border guards have been reported.

Premier Chairs Regular Council of Ministers Session

LD2109121394 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 21 Sep 94

[Text] A regular session of the presidium of the Council of Ministers of the Republic of Tajikistan took place today under the chairmanship of Abdulmadjid Samadov.

Issues related to immediate measures to improve the social and economic living conditions of the population of Murgabskiy Rayon, in the Gorno-Badakhshan Autonomous Oblast, were discussed.

An agreement between the republic's Ministry of Communications republic and the East-West Communication Limited company of Great Britain on establishing joint ventures was approved. [sentence indistinct]

Armenia

First Round of Talks With Russia Ends

NC2009141794 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0643 GMT 20 Sep 94

[Text] Yerevan ("HAYASTANI HANRAPETUTYUN" daily), 09/20/94—A regular stage of the Armenian-Russian negotiations has finished in Moscow.

Governmental delegations of Russian Federation and the Republic of Armenia, headed by Special Envoy of the Russian President Vladimir Oleandrev on the Russian side and State Minister Armenak Gazaryan on the Armenian side, discussed a wide spectrum of problems, particularly concerning the military-political, economical and humanitarian spheres on September 15-16.

Press service of the Ministry of Foreign Affairs informed ARMENPRESS that projects of several interstate and intergovernmental agreements have also been discussed.

The next stage of negotiations will be held in November.

Karabakh Envoy Sees Need for 'Guarantees'

NC2009140894 Yerevan SNARK in English 1115 GMT 20 Sep 94

[Text] Stepanakert, September 20 (SNARK)—Republic of Nagorno-Karabakh is steadily following the compromise steps tactics and is ready to make some concessions if it has guarantees for not renewal the militant actions. It was stated today in Stepanakert by the Foreign Minister Council of Karabakh Manvel Sargsisyan, who is a representative to the third round of Moscow negotiations held on the level of foreign policy bodies experts of Azerbaijan, Karabakh and Armenia.

According to him this tactics is coming out of the principle conception of Karabakh party, which is to stimulate the conflict's peaceful settlement and not to permit to wreck the talks.

Karabakh diplomat informed that as a result of 3 rounds negotiations the parties came to the consent concerning some provisions of the draft political agreement submitted by Russian mediator.

Meanwhile, he stated, they didn't succeed in agreement on a series of issues related to troops withdrawal from the conquered territories, creation of buffer zone and returning of refugees.

Sargsisyan is of opinion that the reason of failure is not constructive position of Azerbaijan party in the conference. It was trying to have political supervision over Nagorno-Karabakh with the help of international forces earlier before starting the discussion over its status.

"Nagorno-Karabakh will never accept isolation. We should support the level of independence we acquired till the final settlement of the conflict and establishment of peace in the region," stressed Manvel Sargsisyan.

Karabakh News Conference on Peace Efforts

NC2009184894 Yerevan SNARK in English 1524 GMT 20 Sep 94

[Text] Stepanakert, September 20 (SNARK)—Nagorno-Karabakh welcome any mediatory efforts, directed on strengthening of regime of cease-fire and favored the establishment of stable peace in the region. Such declaration was made by Nagorno-Karabakh Minister of Foreign Affairs Arkadiy Gukasyan at press conference in Stepanakert. This conference was devoted to the results of next meeting of the CSCE Minsk Group on Nagorno-Karabakh in Vienna.

Minister informed that participants of the meeting were discussing problems of establishment of international forces of security and problems of Russian and the CSCE's coordination of mediatory efforts.

Head of Nagorno-Karabakh foreign policy department did not except the possibility of participation of international forces (with predominance of Russian ones) in the peace-making process.

Officer Appointed Chief of Staff, Deputy Defense Minister

NC2009135694 Yerevan SNARK in English 1115 GMT 20 Sep 94

[Text] Yerevan, September 20 (SNARK)—Mikayel Harutunyan, a regular officer is appointed a head [chief of Staff] of the Republic's Armed Forces headquarter and a new deputy minister for defence in conformity with the president's decree. Simultaneously he is awarded with major general rank.

Previously the Colonel Harutunyan was a deputy chief of the Principle Staff.

Azeri Shelling of Northern Border Reported

NC1909171794 Yerevan Radio Yerevan International Service in Armenian 1515 GMT 19 Sep 94

[Text] The Armenian Defense Ministry's Press and Public Relations Department reports that Azerbaijani Army units shelled defensive positions of Chinari in Tavushskiy Rayon between 1600 and 1740 yesterday with Zenith rocket launchers, mortars, and various fire-arms.

The enemy fired rifles at positions in Adzhadzhur, Sevkar, and Sarigiyug in Idzhevskiy Rayon between 1930 and 0027.

There were no casualties in Tavushskiy and Idzhevskiy rayons. Our side did not retaliate.

The same source reports that the situation was calm in other regions of the republic as of noon today.

The press service of the Nagorno-Karabakh Republic Defense Army headquarters reports that the cease-fire is being observed at the republic's war fronts.

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Night Curfew Imposed in Stepanakert*NC2009150994 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 23 GMT 20 Sep 94*

[Text] Stepanakert ("GOLOS ARMENII" daily), 09/20/94—According to the order of the RMK [Republic of Mountainous Karabakh] Defense Army Commander, curfew was established in Stepanakert and nearby garrison, starting from 6 am on September 18.

The order provides that "the curfew is established in order to prevent criminal actions in the city, to hinder arbitrary leaving the garrison by soldiers, to stop uncontrolled use of cars and to keep the discipline among the soldiers of the garrison. [no end quotes as received]

The curfew is active from 10 pm till 6 am.

Armenia Proposes Combined Armed Forces in Caucasus*LD2009154494 Tbilisi IBERIA in Georgian 1415 GMT 20 Sep 94*

[Text] Yerevan, 20 Sep—According to the IBERIA news agency, Armenia has suggested to Georgia to create in the Caucasus a trilateral coalition of Georgian-Russian-Armenian armed forces with a single air defense system and a single command.

Ambassador to Romania Appointed to Moldova Post*NC2009141094 Yerevan SNARK in English 1115 GMT 20 Sep 94*

[Text] Yerevan, September 20 (SNARK)—Henceforth there will be one ambassador of Armenia in Romania and Moldova. According to the president's decree, published today, Gevorg Gazinyan, the emergency and plenipotentiary ambassador of Armenia in Romania, is appointed pluralistically as an ambassador in Moldova.

Formerly Gevorg Gazinyan was a deputy minister of foreign affairs of Armenia.

Azerbaijan**Oil Agreement Signed With Western Consortium***NC2009163394 Baku Azerbaijan Radio Televiziyasi Television Network in Azeri 1300 GMT 20 Sep*

[Report by Nermine Alikhanbeyli]

[Text] An agreement was signed today at Baku's Gulistan Palace between the Azerbaijani State Petroleum Company and a consortium of foreign oil companies on the joint operation of oil fields in the Azerbaijani sector of the Caspian Sea.

Speaking at the opening ceremony, Azerbaijani President Geydar Aliyev announced the completion of the more than two years of talks on the joint operation of Chirag and Azeri fields in the Azerbaijani sector of the

Caspian Sea and of the deep-lying portion of Guneshli. These fields are believed to contain more than 500 million tons of oil. Some 80 percent of the investment needed for the operation of the fields will come from the consortium. The first oil will be extracted 18 months after the agreement goes into effect. Oil production in the main fields will start in not more than 48 months. The construction of the oil pipeline, which will ensure the successful transportation of the Azerbaijani oil to the international market, will be completed within 54 months.

The joint operation of the oil fields is envisaged to last for 30 years. This will lay the foundation for the economic and social welfare of the people in Azerbaijan at the start of the 21st century, although the real results will come in later years. As we transition to a market economy, the infusion of tens of billions of dollars in foreign currency will ensure the improvement of the scientific and technical base of the entire economy, above all the oil industry.

Noting all this, the Azerbaijani president commended the work of the consortium, which includes Amoco-Caspian Sea, BP-Exploration Caspian Sea, Statoil, Lukoil, McDermott-Azerbaijan, Penzoi-Caspian, Demko-Hazarenergy, Turkiye Petrolleri, Unicol-Hazar corporations.

Further on Major Oil Agreement*LD2009170594 Moscow NTV in Russian 1500 GMT 20 Sep 94*

[Text] The deal of the century, providing for the development of oil deposits in the Caspian shelf and estimated at \$8 billion, has been signed in Azerbaijan. The events in Baku today demonstrate that the West has found a reliable partner in Azerbaijan, in spite of the latter's long conflict with Armenia over Karabakh, which has depleted the country's economic resources. Russia is also involved in this oil deal of the century.

[Correspondent Aleksandr Sasov] The document signed in the Gyulistan Palace today opens up fantastic prospects for Azerbaijan, and if everything goes the way Baku is planning it now, an economic breakthrough is quite probable in this republic within a few years, comparable maybe with the Saudi or the Kuwaiti miracles.

Major international oil companies will take part in developing the Caspian shelf. The deposits of Azeri and Chyrak and the deep-water section of the Gyuneshli deposit will be developed by British Petroleum together with Statoil from Norway, as well as a cluster of major American companies, such as Pennsoil, Amoco, and McDermott. The Russians and Turks have also got their share: the Russian corporation Lukoil has made a 10 percent capital investment in the project.

The international consortium intends to pump from under the Caspian seabed over 500,000 tons of oil within

30 years. Specialists estimate that this will bring Azerbaijan 250 million tons of raw materials and \$34 billion in net profits only.

The project has taken several years to come through. It was stalled by the unstable political situation in the Caucasus, by the Karabakh war, and by frequent government reshuffles in Azerbaijan. Geydar Aliyev, who has done a great deal to get the document signed, the obstacles removed, and the participants of the deal agreeable, hopes that this will raise the republic's economy to the world level. The package signed envisages that the most modern technology and state-of-the-art Western equipment will be used in the oil extraction. This may not only cause an overhaul in Azerbaijan's oil complex, but also help develop machine-building, oil refining, and communications—in a word, the republic as a whole.

It has been decided to develop the deposits within four and a half years. After this the partners will begin full-scale oil extraction and will start making profits by selling it. It is unclear so far how the Western companies are going to transport the oil, how much money will be invested in environmental protection, and how the social infrastructure will be affected.

However, these questions are getting lost in the glow of the promising prospects. The main thing that Geydar Aliyev sees in today's document—signed incidentally by his son Natig who is the director of the Azerbaijan oil company—is that now the republic is open to international capital and Western technologies.

The political aspect of this deal is also important. Very often the highest economic profit of a project fades in the light of political instability. If, however, the world's oil tycoons have decided to invest billions in this project, it means that they expect to achieve—and, no less important, promote—stability in the region.

Back to money matters. Right after the document has been ratified by the parliament, Azerbaijan will receive \$300 million in start-up expenses.

Aliyev, Dignitaries Address Contract Ceremony

NC2009183294 Baku *TURAN* in English 1535 GMT 20 Sep 94

[Excerpts] Baku, September 20 (*TURAN*)—Today at 12.00 a.m. the ceremony of signing of "contract of century" between SOCAR [State Oil Company of the Azerbaijan Republic] and the consortium of eight western companies—BP Exploration, Amoco Production Company, Pennzoil, Unocal, Turkey Petrolleri, Statoil, Remko, McDermott and Russian Lukoil company—began in Baku's Palas-centre of "Gyulistan".

The officials from the governments of the US, Great Britain, Russia, Turkey and Norway as well as the Heads of the western companies arrived in Baku for the ceremony.

Opening the ceremony President Aliyev said: "Today is an historical event in the history of Azerbaijan". [passage omitted]

President Aliyev said: "Three years passed since the time when Azerbaijan gained its independence. Together with independence Azeri nation got the right to use its natural resources freely. This is the beginning of the third stage in the history of Azeri oil. The contract with the western companies has been preparing for three years. [no end quotation marks as received]

The history of oil extraction in Azerbaijan number 150 years. Over this period 1 billion 325 million tons of offshore and onshore oil have been extracted. 400 million of tons of them fall on offshore oil. 400 billion cubic feet of gas have been extracted in the Caspian Sea. Until now extracted oil did not belong to Azeri nation.

President Aliyev said that all wishes and intentions of Azerbaijan are reflected in the final document. But each agreement is always a mutual coordination of interests. After three-year talks we have worked out the document, which meets the interests of all parties. I think that the contract, which we will sign now, will serve the interests of future Azerbaijan.

Signing the contract, we demonstrate to the world Azerbaijan's openness and its readiness to cooperate with all the countries.

Cooperating with the consortium of the Western companies we integrate our economy into a world one, into the world of free market relations. And this fact confirms democratic and political base of our state. The contract's signing will favour the development of democratic society in Azerbaijan. This fact is of great importance, especially on the eve of transition to the market economy and confirms political stability of Azerbaijan as well as our friendship with the US, Russia, Turkey, Great Britain and other countries. Signing of it will help to settle important problems. The process of the contract preparation was difficult but its implementation will be even more difficult. The successes will depend on the results of the work.

The contract can be compared with the road with two-side movement. Both sides must move at an equal speed. The contract puts serious tasks before the Western companies, and even more difficult before Azerbaijan. It is a common knowledge that Azerbaijan is in a deep economic crisis now. And to bring the country out of its crisis we have to establish close cooperation. I realize the responsibility for my resolution to sign the contract. I congratulate all participants of the ceremony and Azeri nation on signing of the contract. I assess great work, which has been done by SOCAR's leadership, and congratulate them on completion of their great work. I cordially congratulate all participants of the consortium and I hope that their work will be successful. I congratulate the heads of those countries, whose representatives are currently participating in the consortium. I hope that

all adversaries of the contract will be suppressed and Azerbaijan will take its deserving place in the world community. [passage omitted]

Appreciating signing of the contract, Turkish State Minister Necmettin Cevheri noted a great profit of a contract for Azerbaijan. He said that it was a new stake in the history of Azerbaijan and he appreciates the contract not only as financial profit for Azerbaijan but believes that was a tight embrace of West and Azerbaijan.

"Independence is a right of each man, each people. All Turks people are proud of the signing of the contract by independent Azerbaijan. That is why I am not only a man signing this contract, but I am proud of signing this contract," noted Cevheri. He congratulated all Azeri people on behalf of Turkish president Demirel and Turkish prime-minister Tansu Chiller. [passage omitted]

Russia's representative Stanislav Pugach noted that even in October of last year the negotiations between the Azerbaijan's Cabinet of Ministers and Russia's Ministry of Fuel and Energetics had completed by signing the Agreement on cooperation with Russian Company "Lukoil". A great work was done, as negotiations had been held in Istanbul, Moscow, Baku and Houston. All forces had been concentrated for signing this contract. President Aliyev had already noted the importance of all that and Mr. Pugach expressed his assurance that "Lukoil" was ready to begin its activity. He said that he would like especially note the President Aliyev's help and support in that work and said that the implementation of the contract will be very profitable for Azeri people in near future already.

President of the Islamic Bank for Development Usam Jafari thanked the president of the country Geydar Aliyev for being invited to that ceremony as his personal guest. It was a great event in the life of Azeri people and he congratulated and wished success to Azeri people.

Closing the ceremony Geydar Aliyev raised a toast and noted the importance of all that took place, congratulated the Azeri population and wished successes on that difficult way to happiness and prosperity.

Aliyev Gives News Conference on Oil Deal

NC2009203894 Baku Azerbaijan Radio Televiziyasi Television Network in Azeri 1600 GMT 20 Sep 94

[Report on news conference held by Azerbaijan President Geydar Aliyev in Baku on 20 September, by correspondents Nermine Alikhanbeyli and Seyyad Agbabali—recorded]

[Excerpts] [Agbabali] Azerbaijan added a new page to its history today. It lived through a historic day. A special magnificence suffused the Gulistan Palace today. Official government representatives from various countries, presidents of the Western oil companies, the ambassadors and members of the diplomatic corps accredited to

Azerbaijan, and representatives of many leading international news agencies gathered at Gulistan Palace, which became the venue for the signing of the historic document. The talks with the consortium of foreign oil companies on the joint operation of the oil fields in the Azerbaijani sector of the Caspian Sea were over. [passage omitted]

[Alikhanbeyli] This historic day, which we were looking forward to with great hopes and anxiety, might prove to be a historic turning point not only for the oil industry but also in the life of the Azerbaijani people. We hope that those who shouldered this responsibility for the nation will see to it that the black gold will usher in bright days for Azerbaijan. But, what will this historic agreement give to Azerbaijan? At present, approximately 6 million tons of oil is extracted [per year] from Guneshli field. However, no use is being made of the sector of this field which lies in deep waters. This sector of the field has been opened for joint operation by the Western consortium. According to this agreement, 511 million tons of oil will be extracted from those sectors of Azeri, Chirag, and Guneshli fields which lie under more than 200-meters of water. The agreement is for 30 years. Western companies will provide 80 percent of capital investment. With current prices, this amounts to approximately \$7.14 billion. Some 253 million tons of extracted oil will remain for Azerbaijan. Our republic will make \$34 billion profit from the implementation of the agreement. Calculations show that 55 billion cubic meters of gas will be extracted during these 30 years. This gas will be extracted together with the oil. All the extracted gas will be given to Azerbaijan. During the joint extraction of oil in the three fields by the consortium, the Azerbaijani Petroleum Company and the Azerbaijani Republic will be able to independently open wells and extract gas. Azerbaijan will be the sole owner of this gas. [passage omitted]

[Agbabali] Now we bring to you a report the on news conference held after the ceremony.

[President Geydar Aliyev in Azeri] Esteemed reporters and representatives of press, today we have all witnessed a historic event. The contract long in preparation between the Azerbaijani State Petroleum Corporation and the foreign oil companies has now been signed. A few days ago I addressed the press on the nature and underlying principles of the contract. At the time, I gave detailed information. I also issued a decree on 14 September. In that decree I pointed out the fundamental indicators on the nature and meaning of the contract, its importance for Azerbaijan and foreign oil companies. That decree has been published today in the press. Its Russian and English version was distributed here today. I already expressed some views on this issue during the signing ceremony of this contract today, therefore I see no need to repeat them here.

Here with me are the heads of the foreign government delegations. They too expressed their views on the

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signing of the contract. In view of all this, I believe that there is no need to provide further information on it. This news conference will last half an hour, during which I and our guests here are ready to reply to your questions.

This contract is economic in nature. I have already spoken on the economic fruitfulness of this contract and I already noted this in my 14 September decree. The economic aspects of this agreement are well known. Also, in my speech today I noted that this contract will undoubtedly considerably help in developing ties between Azerbaijan and the countries to which these companies belong. This is a great achievement in itself. Undoubtedly, political results will result from the joint activity over the next 30 years as well as the economic development of our countries. Each economic contract inevitably produces political results.

[Unidentified correspondent] The Russian minister of energy and fuel [words indistinct] said that Russia will not recognize the activities of foreign companies here until the status of the Caspian Sea is clarified. But a contract has now been signed. What will the Russian position be?

[Aliyev] First, Russia's Lukoil company is participating in this consortium. Second, Stanislav Pugach, the representative of the Russian Energy and Fuel Ministry and head of the main directorate there, took part in our ceremony and delivered a speech. Had you listened carefully to his statement you would have found the reply to your question. He said an agreement to this effect was signed between Azerbaijan and Russia last October. [passage omitted]

[Aliyev] I have always hoped that the Western countries, especially those influential inside international organizations, will work to halt the conflict between Azerbaijan and Armenia, that is, the Armenian aggression against Azerbaijan. I still hope for this. I maintain such hope on the eve of my visit [to New York].

[Unidentified correspondent] [Words indistinct] You said the agreements do not fully satisfy Azerbaijan. [passage indistinct] the opposition forces are positively assessing the signing of this contract. Can you comment?

[Aliyev] First, all the sides would like to obtain maximum benefit from any contract or agreement. I have frequently said that oil is Azerbaijan's prime national wealth and I, as the president of Azerbaijan, worked to obtain the greatest benefit from this wealth. Many of our efforts and moves during the final phase of the talks in Istanbul and Houston produced positive results. But an agreement could only be possible with the agreement of both sides. If everything one side seeks is accepted by the other side then there is no need for a contract. We obtained most of what we wanted. But this has a limit for the sides involved. Breaking that limit would undermine the contract. We have concluded the agreement according to its limit. As for your question on the

differences between old and new agreements, the difference is great. Work done following my decree on 4 February 1994 [speeding up talks with oil companies] saw many beneficial points for Azerbaijan included in the agreement following the talks in Baku, Istanbul, and Houston, in contrast with the former draft agreement. I think the talks on a contract last year were very productive. Even the representatives of the foreign firms are saying this. If you want concrete information you can read the agreement.

I get the impression that you are talking on behalf of the opposition and are saying that the opposition likes this agreement. Because I am a man defending the national interests of the Azerbaijani people, every Azerbaijani citizen and group is valuable to me. If the opposition you mention likes this agreement then this shows that they too are approaching this issue from the standpoint of state interests. This is positive.

[Unidentified correspondent] [words indistinct] What is the link between the cease-fire on the front and the signing of the oil agreement? [words indistinct] What do the states to which these firms belong think about this?

[Aliyev] Replying to your first question, there is no such link between the cease-fire and the signing of these contracts. The cease-fire has been in effect for over four months and is still being observed. This is a step taken by us to end the war between Azerbaijan and Armenia and peacefully resolve the conflict. Talks on the contract have been going on for the past three years. I already noted that I issued a decree on 4 February to speed up these talks. Talks have been going on on this issue in Houston for the past 45 days. This agreement, satisfactory for both sides, has been achieved now and that is why it is being signed now. Had such an agreement been reached six months ago it would have been signed six months ago. Our guests could answer your second question.

[Unidentified U.S. official in English] The Government of the United States will work with the Government of Azerbaijan to make sure that the contract can be implemented. And it is in the interest of both countries for the production of oil under the contract to be increased as much as possible consistent with the safety and protection of the environment.

Now that the agreement has been signed, which route will be chosen for exporting the oil to the world market?

[Aliyev] As you know, this contract includes three provisions. The first oil will be extracted within 18 months; full oil production will start in 48 months. The oil pipeline needed to export the oil to the location desired by the firms will be constructed not later than 54 months from now. Additional talks will be held on the construction of the oil pipeline. Undoubtedly, all the existing options will be examined and we will agree on whichever is most convenient.

[Turkish State Minister Necmettin Cevheri in Turkish] I want to add this: The pipelines that are to pass through Anatolia are not involved in this work [Azerbaijani oil] alone. They will also be used for all the oil that is to be transported to the Mediterranean and the West from Kazakhstan. According to the Montreux Treaty of 1936, the ships eligible to pass through the [Dardanelles] Straits can only do so provided they respect the sovereignty and security of Turkey. At the time of the signing of the Montreux Treaty, the largest tankers were 20,000 to 30,000 tons. Today it is not possible for 200,000 to 300,000-ton tankers to pass through the Straits. Now, we have a city of 12 million there. Therefore, pipelines are needed, and they should definitely cross Anatolia, be they from Azerbaijan or Kazakhstan. This is what I would add to the statement of the esteemed president.

[Unidentified correspondent in English] (?You said that) [words indistinct] there are lot problems, even more than it was before.

[Aliyev] Are you saying that I have said this? [several people speak at once] I think that there is no major impediment to the implementation of the contract. The minor problems are temporary and we will resolve them. Let no one doubt that the Azerbaijani Parliament will soon examine this draft agreement and I am hopeful that it will ratify it, and the contract will go into effect on the day indicated. If anyone wants to add to this please do so. [passage omitted]

State To Ignore Russian Statement on Oil Contract

LD2109141694 Moscow INTERFAX in English 1303 GMT 21 Sep 94

[Text] A senior source in the Azerbaijani president's staff said a statement by Russian Foreign Ministry spokesman Grigoriy Karasin about a recent contract between Azerbaijan and a consortium of foreign oil companies would not affect its implementation.

Azerbaijan's right to use oil deposits in its own section of the Caspian Sea is indisputable, the source, who asked not to be named, said commenting on Karasin's words that Moscow does not recognize the agreement to develop three oil fields as infringing on the interests of other Caspian countries.

The Azeri, Chirag and Gyuneshli deposits are located in the Azerbaijani sector of the Caspian shelf, "which we have been using for decades," the source told INTERFAX.

"Baku will make no statements about it because we haven't had an official reaction from the Russian Foreign Ministry. We regard it as a personal statement by Karasin," he said.

The source said the Russian ambassador to Azerbaijan, Walter Shonia, had "blessed" the contract, worth an estimated \$7.5 billion, that the signing ceremony had

been attended by an official from Russia's Fuel and Energy Ministry, and that one of the consortium members is the Russian company LUKoil.

Turkish Minister Meets Gasanov, Views Oil Agreement

TA2109145794 Ankara TRT Television Network in Turkish 1300 GMT 21 Sep 94

[Announcer-read report over video]

[Text] State Minister Necmettin Cevheri has declared that yesterday's agreement on the extraction of oil from the Caspian Sea in Azerbaijan by an international consortium will contribute to the establishment of tranquility and peace in the region. TRT correspondent Kemal Aslan reports from Baku:

[Begin Aslan recording] Cevheri expressed this view during a meeting with Azerbaijani Foreign Minister Gasan Gasanov. Recalling that the Turkish Foreign Ministry contributed to the conclusion of the agreement, Cevheri said: On behalf of Turkey, we are proud to be a witness and a party to the signing of such a happy event.

Minister Cevheri stressed that yesterday's agreement signals the acknowledgement of Azerbaijan on the part of the United States, Britain, Norway, Turkey, and Russia. The parties to the agreement are more important than the content of the agreement, the minister remarked. Cevheri continued: The doors have now been opened. Azerbaijan's path is clear. President Suleyman Demirel had said that they cannot be the poor watchmen of rich resources. Azerbaijan has now found the opportunity to exploit its natural resources.

Gasanov, in his statement, expressed satisfaction over the development of political relations with Turkey. Explaining that Azerbaijan met with calamities twice in the past because of oil, Gasanov noted: First, the Russian tsars arrived in our country because of the oil, and then Lenin. This time, I hope that the oil will be auspicious for us.

Turkish Ambassador to Baku Altan Karamanoglu and other officials also attended the meeting between Cevheri and Gasanov. [end recording]

Aliyev Meets Turkey's Cevheri, Views 'Opportunity'

NC2009182694 Baku Radio Baku Network in Azeri 1700 GMT 20 Sep 94

[Text] President Geydar Aliyev received the heads of foreign delegations attending the signing ceremony for the oil agreement between Azerbaijan and the Western oil consortium today. In his meeting with Turkish Minister of State Necmettin Cevheri, Aliyev said he welcomed Turkey's participation in the signing ceremony. He said: Although production of oil in Turkey, which is a friendly country, is limited, Turkey will have a share in oil extraction in Azerbaijan. Both Azerbaijan and

Turkey will benefit from that. Turkey's presence among the members of the Western oil consortium represents an opportunity.

At the end of their talks Geydar Aliyev asked Necmettin Cevheri to convey his greetings to leading Turkish officials. Azerbaijani Speaker Rasul Gulizade and Ambassador Altan Karamanoglu attended the meeting.

Ministry Denies Reported Use of Western Weapons

LD2009161694 Moscow INTERFAX in English 1354 GMT 20 Sep 94

[Text] The Azeri Defense Ministry in Baku has denied Russian media reports that the Azeri army is using Western-made weaponry.

Its statement issued in Baku says the national army is equipped with part of Soviet-built weapons inherited by Azerbaijan during the break up of the former Soviet Union. These differ from their Western counterparts in such respects as fire power.

The ministry described Russian reports as being provocative, at a time when hard talks are under way to try to bring a comprehensive solution to the Karabakh problem. It says such speculations have the sole aim of derailing what Baku sees as a vital agreement.

Georgia

More Russian Assault Troops Assigned to Abkhazia

LD2009153194 Tbilisi IBERIA in Georgian 1415 GMT 20 Sep 94

[Text] Tbilisi, 20 Sep—According to the IBERIA news agency, to guarantee the security of Georgian refugees it is planned to send in an additional unit of assault landing troops of 600 officers from Russia into the Georgian-Abkhaz conflict zone.

Shevardnadze Pays Tribute to Russian Role

MM2009152394 Moscow IZVESTIYA in Russian 20 Sep 94 pp 1, 2

[Report by Teymuraz Mamaladze: "Fine Crop of 'Isabella' Grapes in Abkhazia"]

[Text] Novyy Afon, Sochi, Tbilisi—After talks with Russian Federation President Boris Yeltsin in Sochi, Georgian head of state Eduard Shevardnadze flew to Tbilisi at around 1400 hours on Monday, INTERFAX reports. Vladislav Ardzinba, speaker of the Abkhazia parliament, arrived at approximately the same time for a meeting with Boris Yeltsin. The Russian president's talks with the leaders of Georgia and Abkhazia took place behind closed doors. Journalists were not admitted to the meeting.

Russian Defense Minister Pavel Grachev described last Friday's meeting between Eduard Shevardnadze and Vladislav Ardzinba in Abkhazia as historic. "You made an historic decision," he said at the Russian airfield near Gudauta, where the Georgian head of state and the chairman of the Abkhazia Supreme Soviet shook hands for the first time—another historic occasion, presumably. Then they set off for Novyy Afon, where they closeted themselves away in a former state dacha better-known locally by the name "Mikoyanovskaya."

It appears that the question of starting a mass return of refugees to Galkskiy Rayon, Abkhazia, had finally been decided the day before and the date and hour had been set. At any rate, Colonel General Georgiy Kondratyev was definite and unequivocal on this score (ITA NOVOSTI, 2100 hours, 14 September).

Reports have started to come in from authoritative sources on the redeployment of the "Russian blue helmets" whose job it is to ensure the refugees' safe return.

By the appointed hour more than 30 buses from Zugdidi and adjoining areas had congregated near the bridge over the Inguri. Around 5,000 refugees, many of them in danger of passing out, were awaiting the signal. The reported killings of two Russian officers had shocked people. "We were being shot at too," one of them told me.

After eight hours of waiting it was announced that the crossing had been called off. The Russian Foreign Ministry made a statement effectively denying the reports of an accord on this score.

The Yak-40 carrying the Georgian head of state flew to Abkhazia at the same hour and on the same route as a year ago, 16 September 1993, the day when what turned out to be the last assault on Sukhumi began. On that occasion Shevardnadze was flying to war, this time it was to a meeting with Vladislav Ardzinba.

It was on the Russian president's initiative. "A decisive step on your part is needed," Shevardnadze had said in a telephone conversation the day before. His interlocutor had taken many "decisive steps," but this kind of thing had not happened before. Yeltsin instructed Grachev, and he, intending to fly to Ivanovo, changed his route. He was not really exaggerating when he described the meeting as historic.

But history will not excuse tardiness. As is known, conflicts become virtually irreversible when the sides stop communicating.

In this sense the Novyy Afon meeting might be more accurately described as instructive. Shevardnadze and Ardzinba had not communicated at all, unless you count a few telephone conversations and one talk two years previously, the content and nature of which were entirely unproductive to a positive outcome. The Georgian leader's many "domestic" and "external" enemies contributed to this in a big way.

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The meeting lasted more than three hours. A beaming Grachev told journalists that a wide range of questions had been discussed, including the time frame and procedure for the return of the refugees, the situation in the Kodor Gorge, and political and economic problems. A noticeably pensive Shevardnadze (only in Reykjavik had he appeared more preoccupied after talks) observed that the fact that he had made personal contact with Vladislav Ardzinba was significant in itself and it had clarified a great deal, "although it was not all easy." A calm and collected Ardzinba added that different positions were no obstacle to future contacts. "We should not exaggerate, we should not get carried away, but we should not play it down either," he said a little later.

On the way back to Tbilisi Eduard Shevardnadze summed up the meeting for IZVESTIYA: "The main result is that Georgian-Abkhaz dialogue has taken place at this level for the first time. And enormous credit is due to the Russian president for it. Nor must we play down Pavel Grachev's role. During the meeting he was seeking an answer to the main question: Is it possible to restore the basis for Georgians and Abkhazes to live together in peace in this land? Of course, it would be unwise to suppose that everything could be resolved at a stroke—too much divided us. But it is so ridiculous, on seeing some healthy sparks, to fan them into a fire of enmity or stamp them out, as many people are enormously keen to do. I prefer to allow them to develop into something different. When I accepted Yeltsin's offer I was acting in the interests of tens of thousands of our fellow citizens who are in wretched exile, in the country's interests. Personal prestige does not come into it as far as I am concerned, when the country's future is at stake—I am simply obliged to take advantage of every opportunity. If I am accused of going cap in hand, my response is that there is no shame in doing so to this end. As for the meeting venue, it was on the territory of our country."

The outcome, however, remains shrouded in mystery. There is no answer to the question: What prompted General Kondratyev's swift decision and its equally categorical cancellation. Many people here tend to believe that it was a political move intended to force Shevardnadze into a "decisive step." On the threshold of the UN General Assembly session, where some form of report on the peacemaking mission in Abkhazia is to be presented, the "show that took place there will look like a gesture of goodwill which, however, is being blocked by reactionary forces," the paper IVERIA EKSPRESI

writes. It is also claimed that for the umpteenth time an attempt has been made to deprive Shevardnadze of the chance to implement a purposeful policy.

Interior Minister, Russian General on Crime

LD2009212694 Tbilisi First Program Television Network in Georgian 1600 GMT 20 Sep 94

[Excerpts] Today, in agreement with Georgian Head of State Eduard Shevardnadze, a meeting was held at the Interior Ministry between Georgian Interior Minister Shota Kviraia and Lieutenant General Boris Dukov, first deputy commander of Russian troops deployed in the Transcaucasus. Colonel Gia Toradze, commander of Georgian Interior Ministry troops, and representatives of the Russian troops were at the meeting. [passage omitted]

The need for cooperation between the Georgian Interior Ministry and the command of the Russian troops in the Transcaucasus in fighting crime was stressed at the meeting. Stability and exemplary public order would facilitate the development of economic cooperation between our countries. The security of all citizens of Georgia, among them Russian servicemen and their family members, will be protected.

After the meeting, General Shota Kviraia and General Boris Dukov continued talking behind closed doors, where they discussed some aspects of a peaceful settlement of the Abkhaz conflict and other important issues.

Diplomatic Relations Established With Nicaragua

LD2009224294 Tbilisi First Program Television Network in Georgian 1600 GMT 20 Sep 94

[Text] Petre Chkheidze and Erich Vilchez Asher, Georgian and Nicaraguan envoys and ambassadors extraordinary and plenipotentiary to the United Nations, on 19 September signed a protocol establishing diplomatic relations between their two countries. On behalf of his country's government, the Nicaraguan ambassador sent regards to Georgian Head of State Eduard Shevardnadze and the people of Georgia. He expressed his gratitude for Georgia's participation in the international conference of the countries with established and restored democracy held in Managua in July. He said he hoped that the establishment of diplomatic relations will strengthen the links between the two countries.

Estonia

Economic Cooperation Accord With Georgia Approved

WS2109101594 Tallinn ETA in English 0710 GMT 21 Sep 94

["News Release"]

[Text] Estonian Government approved at its Tuesday session trade and economic cooperation agreement between Estonian and Georgian Governments, Prime Minister Mart Laar told a press conference. Laar said the agreement, which has been concluded already with several former Soviet Union republics, was close to a free trade agreement.

Laar said that practical enforcement of these agreements was however very complicated because trade with them was conducted mainly through Russia which has put upon Estonia very hard customs limitations. Laar said that the issue of customs barriers between Estonia and Russia were also discussed with Vice President of the European Union [EU] Commission Sir Leon Brittan, who is currently on a visit to Estonia, who said EU intended to raise the issue very seriously for such discriminating limitations do not belong to the present-day Europe any more.

Laar Names Liberal Democrat Social Affairs Minister

WS2009150194 Tallinn BNS in English 1428 GMT 20 Sep 94

[Text] Tallinn, Sept 20, BNS—Estonian Prime Minister Mart Laar on Tuesday named Liberal Democrat Toomas Vilosius, the chancellor of the Ministry of Social Affairs, as replacement for Marju Lauristin for the post of the social affairs minister.

The step follows a decision announced by the Social Democrats Sunday that they will quit the Cabinet and recall their party leader, Marju Lauristin, from the post of social affairs minister.

Lauristin handed in her resignation Tuesday morning.

Laar said he is going to introduce the minister candidate to President Lennart Meri in the afternoon.

Vilosius' nomination has been approved by the faction of Laar's Pro Patria party in the parliament.

Laar has promised to the Liberal Democratic leaders to step down once after a new setup of the government is ready. Liberal Democrats said they gave their O.K. for Vilosius' taking over as minister, on the condition that Laar would abide by his promise to resign. The Liberal Democrats have called for replacing Laar already since the government crisis in spring this year, when the party recalled its two ministers from Laar's Cabinet and announced a split with the coalition.

Vilosius, born in 1951, is a surgeon whose career took him to the top executive position in the state hospital of Estonia's western Laane region before being elected as chairman of the Laane Regional Council in 1989. He is widely assumed to have a leading role beside Lauristin in carrying out a deep-going reform in the country's medical system, a sector which the ministry also governs.

Latvia

Specialists Arrive To Implement Nuclear Plan

WS2109092194 Riga DIENA in Latvian 14 Sep 94 p 7

[Report by Agita Berzina: "Program for Nuclear Material Protection Being Prepared"]

[Text] Riga, 12 Sep—A group of specialists from the United States and Sweden has arrived in Latvia for a five-day visit. During their tour, the international specialists will help in the implementation of a program to oversee nuclear material, accepted by the International Atomic Energy Agency. As the result of the visit and discussions, a technical assistance program will be worked out, which will improve the physical protection of fissionable material. The complete implementation of the program is scheduled for next year.

Latvia is revising its regulations in this field to bring them in line with respective international standards, said Andrejs Salmins, the main specialist of the Environmental Protection Department, in his report to the specialists.

It is predicted that the specialists from the United States and Sweden, along with representatives of the Environmental Protection and Regional Development Ministry and the Radiation and Nuclear Security Inspectorate, will visit the Salaspils reactor, the "Radons" state enterprise, and the state repository for isotopes.

The problem of possible smuggling of nuclear material will also be discussed. Until now, the Latvian Customs Office has been receiving assistance in this field from Sweden. Still, controls over radioactive materials crossing the border remain inadequate.

Council Attempts To Ban 'Hostile' Publications

WS2109104294 Riga DIENA in Latvian 14 Sep 94 p 1

[Report by Dzintra Abolina: "Riga Council Will Prohibit Dissemination of Antistate Publications"]

[Text] Riga, 13 Sep—Juris Dobelis, chairman of the Riga Security and Order Committee, visited the DIENA offices to announce: "On the territory of Riga, publications printed outside of Latvia, in the Russian language, targeted against the sovereignty of the Latvian state, are being sold openly."

Dobelis stressed that the committee he heads has already drafted a law which prohibits the dissemination of such

publications in Riga, and expressed the hope that it will be accepted during the next Riga Council meeting.

Dobelis also expressed indignation over the article entitled "Journalists, Let Us Be Vigilant!" published in DIENA of 12 September by Karlis Freibergs, editor in chief of THE BALTIC OBSERVER. Dobelis said Freibergs should have approached him first, to learn the details of the matter.

The chief of the City Security and Order Committee stated that dissemination of openly hostile publications, printed in foreign countries and sold on Riga streets, are undermining the sovereignty of the Latvian state. During his conversation with DIENA, Dobelis reported that a special list of such publications is being prepared. He mentioned such publications as DEN, PRAVDA ZHIRINOVSKOGO, ZAVTRA, and others. He also explained that the list would be examined jointly with representatives of the prosecutor's office and the police, and emphasized the need to adopt respective laws. Actually, the committee hopes that in the near future its draft law would be accepted, which would allow for the mentioned publications to be confiscated and to fine the merchants up to 50 lats. "For continuous selling of such materials, a criminal penalty should be foreseen, because such actions are aimed against our state," said Dobelis. He also stated that the law in this respect should be finally accepted by parliament.

Linards Mucins, state secretary in the Ministry of Internal Affairs, told DIENA that the previous parliament had already began to consult the Republican Prosecutor's Office over the adoption of such a law. "The decision of the Riga Council will be completely legal, because they have the rights, as the local government, to regulate trade on the streets. Plus, press publications can be considered goods, as well," said Mucins.

Maris Krumins, chief of the mass information and social organizations department in the Justice Ministry told DIENA that he also supports the adoption of such a law. He stressed, however, that it would be necessary to emphasize that it refers to foreign publications which have been brought to Latvia in an illegal manner. In these newspapers, the readers are asked to overthrow the political system of Russia and rebuild the USSR, reported Krumins. He admitted that in the present legislation there is no such notion as "antistate product," but actually there are articles that foresee penalty for antistate actions and instigation of violence.

Lithuania

Concern Aired Over Security, European Integration

LD2009220094 Vilnius Radio Vilnius International Service in Lithuanian 2100 GMT 20 Sep 94

[Excerpt] The Lithuanian Seimas has voiced its concern over Lithuania's security and its integration into west European and NATO structures.

A statement issued on Tuesday says that Lithuania has repeatedly expressed the will and taken concrete steps toward becoming a member of the European Union and NATO.

Reports in mass media on a possible division of spheres of interest among the great powers cause concern and are totally unacceptable to Lithuania. We believe that the United States, which refused to recognize the annexation of the Baltic states in 1940 and which is the guarantor of freedom and democracy, will ensure the security and independence of Lithuania, Latvia, and Estonia and the inviolability of their borders, the statement says. [passage omitted]

Ministry Protests Unauthorized Belarusian Flights

WS2009115294 Tallinn BNS in English 0706 GMT 20 Sep 94

[Text] Vilnius, Sep 19, BNS—Lithuanian Deputy Foreign Minister Rimantas Sidlauskas called in the Belarusian Ambassador to Lithuania, Yevgeni Voronovich, Monday to register a formal protest over violations of Lithuanian airspace by Belarusian aircraft.

Sidlauskas presented an official note saying that Belarusian military planes violated Lithuania's air space 31 times last Friday. Unsanctioned flights were conducted over Adutiskis, which is a Lithuanian town, while a nearby railroad station is claimed by both Lithuania and Belarus.

Lithuania has officially protested violations of its air space by Belarus already four times this year. The present note demands that Belarus stop unauthorized flights. According to the note, Lithuania reserves the right to appeal to international organizations and to ask for diplomatic assistance if violations persist.

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